



**Southern Mallee District Council**

# **Annual Report**

**2019-2020**



## SOUTHERN MALLEE DISTRICT COUNCIL

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## 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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## Achievements

Southern Mallee District Council had a long list of achievements in the 2019/20 year. This included:

### Pinnaroo Village Green Masterplan

A bold new vision to revitalise the heart of Pinnaroo was given the go-ahead by the Southern Mallee District Council and the town's community when Council adopted the Pinnaroo Village Green Masterplan at its May 2020 Council meeting.

The plan includes a long-term vision to create a recreation, visitor and community hub on underutilised rail corridor land in the town centre.

The plan identifies walking and cycling trails, a bike track, new playground, improved museum entry, refurbishment of the war memorial, a civic square, new seasonal wetland, improved access and parking for caravans, RVs and large vehicles and substantial landscaping.

The project was been driven by a project steering committee with community and Council representatives and has involved extensive community consultation. It's an exciting plan that will significantly transform the heart of Pinnaroo into a space that will attract visitors and locals alike to play, relax and explore and it was the community that generated the ideas.

Experienced urban design firm Wax Design brought the community input and ideas together to develop the plan with the steering committee and Council.

Delivery of stage one will commence in January 2021.



## Lameroo Town Centre Plan

Council has also developed a plan to revitalise the centre of Lameroo which was adopted by Council at its June 2020 Council meeting.

The plan includes a long-term vision to create a vibrant activity hub in the centre of Lameroo that will appeal to residents and visitors and stimulate activity in the town centre.

The plan identifies paths, new playground, splash park, dog park, street tree planting, new roads with improved access and parking for caravans, RVs and large vehicles and substantial landscaping.

The project has been driven by a project steering committee with community and Council representatives and has included extensive community consultation. This plan is exciting and will be transformative for the centre of Lameroo.

Experienced urban design firm Birdseye Studios developed the plan drawing on community consultation and direction from the project steering committee and Council.

Delivery of stage one will commence in January 2021.





## Development of new Southern Mallee Brand Concepts

Council developed a contemporary new visual brand, which over time, is hoped will help increase visitation to its towns and build awareness of local facilities and shops available to travellers along the Mallee Highway.

Council established a community lead steering committee to drive this project. The project began in late 2019 and is part of Council's strategic goal to make the region an attractive place to stop, visit and spend money. The project aims to maximise the opportunity to bring more visitors into the Pinnaroo and Lamerook commercial centres, through an improved visible brand.

The new brand has been designed to encapsulate the Southern Mallee district. The colours and intricate features of the new design elements encapsulate a modern and progressive feel of the area, while also remaining rustic, honest, and most importantly – welcoming.

Council and the project steering committee worked closely with experienced brand agency On Creative to develop the new look and feel.

Outside of stimulating the local economy, the steering committee also hopes that by having a consistent brand across Pinnaroo and Lamerook, it will also help bring the two towns and district together to find an improved sense of connectedness, culture and pride of place.

Council will look for opportunities in the future to roll out the brand installation throughout projects such as the Pinnaroo Aerodrome renewal, and deliver of the Pinnaroo Village Green Masterplan and Lamerook Town Centre Plan.



# THE SOUTHERN MALLEE

**You're always welcome**

### 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 six unsealed roads and the reseal of the Homburg Terrace and Railway Terrace North intersection.

### Community grants

Council significantly improved its community grants process to better target higher quality community projects that align with Council's strategic goal. This saw the \$40,000 of community grants distributed to four quality community projects across the district. This included:

- Pinnaroo Fitness Health and Wellness Incorporated – grant of \$18,770.00 for change room improvements, gym painting and flooring and healthy eating activity and lifestyle program;
- Parilla Community Group – grant of \$5,912.50 for the Parilla Parkland Development including BBQ installation;
- Pinnaroo Action Group – grant of \$2,450.00 for works at the Pinnaroo Croquet Club, and;
- Lameroo Sports Club – grant of \$20,000.00 for development of a new playground.

## Mayor's message

I am pleased to present Southern Mallee District Council's Annual Report for the 2019/20 financial year.

This report demonstrates solid progress against the strategies in Council's Strategic Management Plan 2017-2021. The Council elected in November 2018 moved into its second year of service to the community during this financial year. The Council continued to make robust and evidence based decisions on the matters of strategic importance to our community. Council also directed funds to important projects aimed at upgrading our key roads, renewing our community buildings and pools and providing essential services to our community.

Whilst the last few months of 2019/20 have been challenging due to the coronavirus pandemic our community has remained resilient and our organisation has continued to deliver.

We have supported various government agencies and the community to keep our community safe. Meanwhile our staff have continued to deliver services and projects.

This financial year saw the completion of masterplans for our two commercial centres with Council adopting the Pinnaroo Village Green Masterplan and the Lamerook Town Centre Masterplan. We also developed brand concepts for our district to help drive future economic development.

We continued to attract substantial external funding for our flagship projects through outstanding grant applications and a demonstrated success in delivering grant funded projects. This year we secured another \$1m of Commonwealth Government Drought funding and \$2.25m of Commonwealth Government Building Better Regions funding. This will enable delivery of our plans to revitalise the commercial centres of Pinnaroo and Lamerook over the next two years.

We also continue to support community groups and provided \$40,000 in community grants to community groups across the district.

All of these significant achievements have been delivered whilst also ensuring continued strong financial management and long term financial sustainability.

We continue striving to provide a range of projects and services that are responsive to our community's needs. Our Council staff and Councillors continue to work tirelessly with dedication to the community in an effort to make Southern Mallee an even better place than it already is.

*Mayor Cr Grieger*



## CEO's message

The 2019/20 financial year was another busy and productive year for Southern Mallee District Council. Council has focused its efforts on achieving the strategies in its Strategic Management Plan whilst also delivering sound financial management and organisational efficiencies.

Council has continued to work towards its vision of a place where people aspire to recreate, do business and live well.

This document represents the Annual Report of Southern Mallee District Council for the period 1 July 2019 to 30 June 2020. The report details the achievements of Council against its strategic objectives and incorporates the audited financial statements of the organisation.

The document also includes the annual report from our subsidiary organisation the Murraylands and Riverland Local Government Association.

Southern Mallee District Council staff are passionate and skilled and 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. Our staff have continued to work hard for the community over the financial year.

Council also delivered a range of capital projects including the refurbishment of both the Lamerook and Pinnaroo community pools, development of new childcare centres in Lamerook and Pinnaroo, major renewal of six of our rural unsealed roads, strategic footpath projects in Pinnaroo and Lamerook and upgrades to a number of community buildings.

Council continued to support community groups during 2019/20 with its generous \$40,000 community grants program. This led to a range of great community projects across the district.

*Chief Executive Officer*  
*Jason Taylor*

## Elected members



Elected members left to right:  
Paul Ireland, Rebecca Boseley, Trevor Hancock, Andrew Grieger, Neville Pfeiffer, Mick Sparnon and Jeff Nickolls.



Inspire

Engage

Connect

## Council's representation quota

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

As of 28 February 2020, there were 1,321 electors on the Council voters roll in Southern Mallee District Council with an average representation quota of 188.

The following table provides a comparison of representation quota with other similar sized Council's as at 28 February 2020.

| Council          | Number of electors | Representation quota |
|------------------|--------------------|----------------------|
| Barunga West     | 1986               | 220                  |
| Ceduna           | 2096               | 232                  |
| Kingston         | 1841               | 230                  |
| Mount Remarkable | 2145               | 306                  |
| Southern Mallee  | 1321               | 188                  |
| Streaky Bay      | 1583               | 197                  |
| Tumby Bay        | 1987               | 283                  |

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.

## Council elections

Elections for Council are held every four years in accordance with the Local Government (Elections) Act 1999. Council elections were held in November 2018 with the next general election scheduled for November 2022.



## 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 Development Act 1999.

## Elected member attendance at council meetings (Ordinary and Special)

Total Number of Meetings                      13

| Current Council                | November 2019 – June 2020 |
|--------------------------------|---------------------------|
| Cr Andrew Grieger (Mayor)      | 13                        |
| Cr Neville Pfeiffer            | 12                        |
| Cr Rebecca Boseley             | 12                        |
| Cr Trevor Hancock              | 13                        |
| Cr Paul Ireland (Deputy Mayor) | 13                        |
| Cr Jeffrey Nickolls            | 12                        |
| Cr Mick Sparnon                | 12                        |

## Elected member allowances 2019/2020

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 allowances are paid to elected members as at 30 June 2020:

|              |              |
|--------------|--------------|
| Mayor        | \$ 26,968.00 |
| Deputy Mayor | \$ 8,427.50  |
| Councillors  | \$ 6,742.00  |

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

## Conflict of interest declarations

In accordance with Section 74 of the Local Government Act 1999, elected members and staff are given the opportunity to declare an interest in a matter before the Council which is recorded in the Council minutes. Training on the new updated conflict of interest requirements has previously been provided to all elected members.

## Code of conduct or practice

The following is a list of Council codes of conduct or practice, adopted in accordance with the Local Government Act 1999 or the Local Government (Elections) Act 1999 and Local Government (Procedures at Meetings) Regulations 2000:

- Elected members code of conduct
- Elected member complaint handling
- Employee code of conduct
- Volunteer code of conduct
- S41 Committee members code of conduct
- Code of practice - Access to council and committee meetings

During 2019-2020 there were no formal code of conduct complaints lodged relating to the conduct of individual elected members.

## Elected member training and 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 November 2018:

- Introduction to local government training
- Legal responsibilities training
- Council and committee meetings training
- Financial management training
- Media training
- Chairing and chamber etiquette training
- Local Government Association annual general meetings and conferences
- Murraylands and Riverland Local Government Association meetings and workshops

## Delegations

In keeping with legislative requirements, Council determines:

- the policies to be applied by the Council in exercising its discretionary powers;
- the type, range and scope of projects to be undertaken by Council; and,
- the resources which are to be made available to undertake such works and services.

In accordance with Section 44 of the Local Government Act, certain powers, functions and duties have been delegated to the Chief Executive Officer from the Council by resolution.

The CEO has in turn sub-delegated some of these powers, functions and duties to appropriate Council officers. Such delegations enable the effective and efficient operation of the Council administration. No delegations have been given to Section 41 Committees by the Council. The Council reviews these delegations regularly.



## **Regional subsidiaries**

### **The Murraylands and Riverland Local Government Association**

The Murraylands and Riverland Local Government Association represents Berri Barmera Council, Coorong District Council, District Council of Karoonda East Murray, District Council of Loxton Waikerie, Mid Murray Council, Renmark Paringa Council, Southern Mallee District Council and the Rural City of Murray Bridge.

It facilitates, co-ordinates, advocates and undertakes projects for the councils it represents in the areas of the environment, economic and social development with the objective of achieving continuing improvement for the benefit of the communities of its constituent councils.

## **Review of Council's decisions**

As required by the Local Government Act 1999, Council has developed a complaint framework which incorporates the review of decisions made by the Council or by administration under delegation.

The complaint framework demonstrates Council's commitment to transparent decision making processes, providing a fair and objective procedure for the hearing of review of decisions and identifying areas for the improvement of services.

There were no formal requests received to review a decision made by the Council or under delegation during 2019/2020.

## Confidential Items

Southern Mallee District Council is committed to the principles of open and accountable governance. Council also recognises that on occasions it may be necessary in the broader community interest to restrict public access to discussion and/or documents. During 2019/2020 the Council considered 21 items in confidence in accordance with Section 90(2) and 91(7) of the Local Government Act 1999.

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

|                       |   | 2019-2020 |
|-----------------------|---|-----------|
| S90(3)(a)             | Information relating to the unreasonable disclosure of personal affairs   | 8         |
| S90(3)(b)(i)          | Information the disclosure of which 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.                   | 3         |
| S90(3)(k)             | Information relating to tenders for the supply of goods & services  | 6         |
| S90(3)(d)(i) and (ii) | Information that could reasonably be expected to prejudice the commercial position of the person who supplied the information the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest. | 4         |
| <b>TOTAL</b>          |   | <b>21</b> |

### Confidential register

The Council keeps a register of all Council decisions made in confidence and this is reviewed every January to decide which items must stay confidential and which can be released from confidence.

As at 1 July 2019 there were 32 confidential decisions in existence. During the 2019/2020 financial year 21 more items were added to the register and 8 others were released from confidence.

At the conclusion of 2019/2020 there were 45 confidential items remaining on the register.

## Registers, codes, policies and procedures

(Required to be kept under the Local Government Act and/or Local Government Elections Act 1999)

### Registers:

|             |  |
|-------------|--|
| Section 68  | Members register of interests                    |
| Section 79  | Members register of allowances and benefits      |
| Section 105 | Officers register of salaries                    |
| Section 116 | Officer register of interests                    |
| Section 188 | Fees and charges                                 |
| Section 196 | Community land management plans                  |
| Section 207 | Community land                                   |
| Section 231 | Public roads                                     |
| Part 14     | Campaign donation returns prepared by candidates |

### Codes:

|             |   |
|-------------|---|
| Section 63  | Members code of conduct                               |
| Section 92  | Code of practice for access to meetings and documents |
| Section 110 | Employees code of conduct                             |
| Reg 7       | Code of practice meeting procedures                   |

## Freedom of information

The Council maintains the principles of the Freedom of Information Act 1991 for the 2019/2020 period;

Number of requests received under the Freedom of Information Act - Two

Number of external reviews under the Freedom of Information Act - Nil

## Complaints to the Ombudsman

The SA Ombudsman is an independent authority that investigates complaints made against South Australian Government and local government agencies.

Formal Ombudsman investigations requiring referral to Council for 2019/2020 – Nil

## Use of local goods and services

Council is committed to identifying opportunities for improved outcomes when acquiring goods and services. Council has developed policy, procedures and practices directed towards obtaining value in the expenditure of public money, ethical and fair treatment for all participants and ensuring probity, accountability and transparency in all of its operations.

Copies of Council's Procurement policy are available for public inspection and/or purchase.

A copy is also available on the Council's website at [www.southernmallee.sa.gov.au](http://www.southernmallee.sa.gov.au)

## 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 2019/2020 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.

## Competitive tendering

Council is committed to purchasing goods and services in an honest manner that ensures a fair, transparent and accountable process is available to all parties involved. Council aims to ensure that its methods of purchasing goods and services are cost effective and meet the needs of the community.

## General information

### Overview

|                         |                         |
|-------------------------|-------------------------|
| Principal Member        | Mayor Cr Andrew Grieger |
| Chief Executive Officer | Jason Taylor            |
| Staff                   | 70                      |

### Key measurements

|                     |                         |
|---------------------|-------------------------|
| Total area          | 6,000 square kilometers |
| Rateable properties | 1,714                   |
| Road length         | 1,335 kilometres        |
| Sealed road length  | 132 kilometres          |

### Key locations

|                                 |  |
|---------------------------------|--|
| Commercial centres              | Pinnaroo and Lameroo   |
| Libraries                       | Geranium, Lameroo and Pinnaroo                               |
| Schools                         | Geranium, Lameroo and Pinnaroo                               |
| Sport and recreation facilities | Geranium, Lameroo, Parilla, Parrakie, Pinnaroo and Wilkawatt |
| Cemeteries                      | Lameroo, Pinnaroo and Parrakie                               |

### Communication

|           |  |
|-----------|--|
| Telephone | (08) 8577 8002   |
| Website   | <a href="http://www.southernmallee.sa.gov.au">www.southernmallee.sa.gov.au</a> |
| Email     | council@southernmallee.sa.gov.au   |
| Facebook  | www.facebook.com\SouthernMalleeDC  |



## Equal employment

Southern Mallee District Council is committed to equal opportunity in employment and the provision of a work environment that celebrates difference and diversity and is free from discrimination.

Council embraces its responsibility to create an environment free from discrimination and to ensure that the principle of merit operates unhindered by regard to irrelevant criteria. To this end the Council actively works to ensure that its structures are free from direct or indirect discrimination on the grounds of sex, marital status or pregnancy, race, age, sexual orientation, gender history, religious or political beliefs, impairment, family responsibility or family status.

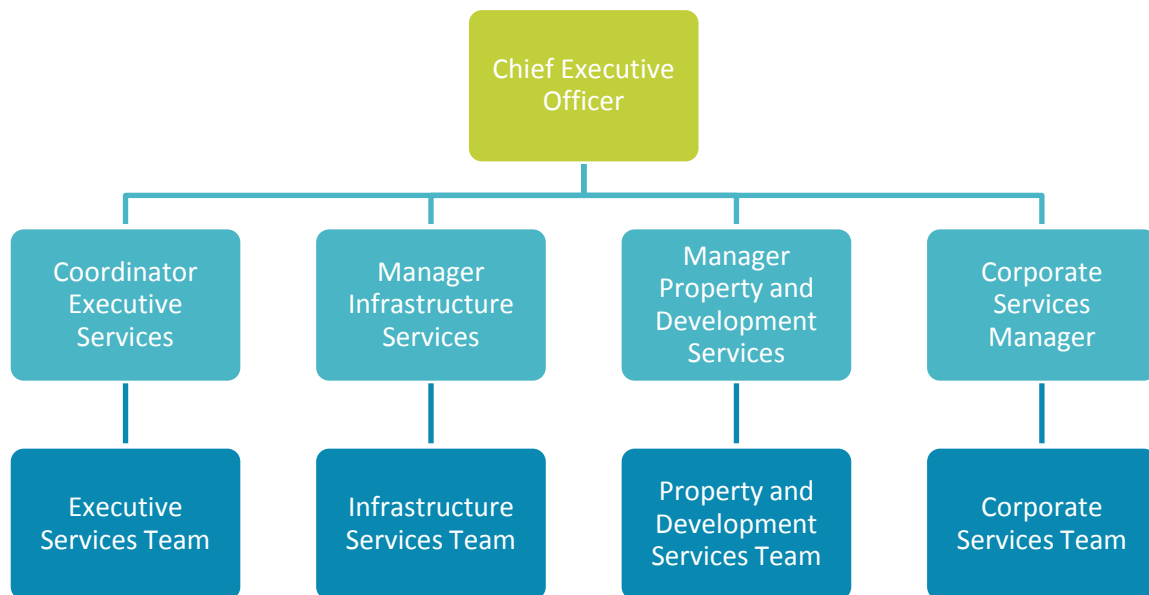


## Corporate structure

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 2020 the CEO had an executive team comprising three managers and a coordinator. These senior staff are responsible for the organisational portfolios of corporate services; Infrastructure services; Property and development services; and Executive services.

## Corporate structure



## Functional structure



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

## Functional structure

### 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

## Functional Structure

### 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 & Development Services Responsible for:

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

## Senior executive officers – register of salaries

| Title of position                         | Classification     | Other benefits/ packages  |
|---|--------------------|---|
| Chief Executive Officer                   | Contract Agreement | Private use of vehicle;<br>Internet provision at residence (up to \$100/month);<br>Superannuation 11.5%;<br>Annual Leave 6 weeks per annum; Housing subsidy \$7,800 |
| 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  |



**Staff training during the 2019/20 year included:**

# staff training

A 3D illustration of a staff training session. A group of stylized, green, humanoid figures are arranged in a circle, sitting on the floor. One figure stands at the front, facing the group, and is pointing towards a large, green, rectangular screen or board that is also on a stand. The figures are simple, rounded shapes with white outlines for limbs and faces. The background is plain white.

## Corporate services

### Work health and safety and Return to work

Continuous improvement underpins Council's approach to all activities. The Work Health Safety and Return to Work Plan ensures Council can identify key deficiency areas and measure the success of systematic targets designed to improve performance. Council's 2019-2021 Work Health Safety & Return to Work Plan was prepared during 2018/2019 for adoption by the Work Health Safety Committee in early 2019/2020.

### Risk management

As an outcome of the risk evaluations undertaken in late 2017, Southern Mallee District Council recognised the need to review its risk management systems, including the review and update of the risk management policy and framework.

Council partnered with the LGRS Strategic Risk Team in a collaborative project with the District Council of Karoonda East Murray to evolve the Council's risk management system to ensure the expectations of the respective Audit Committee's and Executive Team can be met.

In 2018/2019 Council successfully reviewed and updated its Risk management framework and Risk management policy including a presentation to the Audit Committee thus completing phase one of the greater scope of works and meeting several key performance indicators.

In 2019/2020 Council completed valuable back to basics training in risk management and workshops regarding strategic risks, however further work on phase two of the scope of works was hampered by the effects of Covid-19. In 2020/2021 council is on track to finalise its work with the LGRS Strategic Risk Team and adopt its Strategic Risk Register and Operational Risk Register.



# Corporate services

## Treasury report

The overall financial results of Council show sound and responsible financial management.



### Borrowings

Council has paid its loans as scheduled payments require and this has resulted in the closing balance of loans (both current and non-current) decreasing from \$1,402,914 in 2019 to \$1,132,076 in 2020.

| Borrowings    | 30 June 2019 | 30 June 2020 |
|---------------|--------------|--------------|
| Council loans | 1,402,914    | 1,132,076    |

### Revenue

The rates revenue has increased by \$103,796 when compared with 2019. Council rates is the major revenue stream for Council accounting for 55% of total revenue.

|               | 30 June 2019 | 30 June 2020 |
|---------------|--------------|--------------|
| Rates         | 4,216,424    | 4,320,220    |
| Total revenue | 8,004,736    | 7,908,956    |

The decrease in overall revenue was largely due to a decrease in Grants of \$239,795.

|                                    | 30 June 2019 | 30 June 2020 |
|------------------------------------|--------------|--------------|
| Grants subsidies and contributions | 2,647,983    | 2,408,188    |

This was largely impacted by the \$200,917 Supplementary Roads Grant being paid in advance in 2018/2019.

# Corporate services

## Treasury report



### Expenses

Employee costs have increased since 2019 mainly as a result in vacant positions in 2019 being filled for the full year and more maintenance road works being delivered.

|                | 30 June 2019 | 30 June 2020 |
|----------------|--------------|--------------|
| Employee costs | 2,632,395    | 2,954,209    |

Depreciation incurred a slight decrease of \$81,825 following the revaluation of Roads, Kerbing and Footways. The revaluation determined the useful life of some of these assets was greater given their current condition.

|   | 30 June 2019 | 30 June 2020 |
|---|--------------|--------------|
| Depreciation, amortisation & impairment | 2,644,838    | 2,563,013    |

Materials, contracts & other expenses increased by \$116,241. This was largely due to an increase in maintenance works.

|                                       | 30 June 2019 | 30 June 2020 |
|---------------------------------------|--------------|--------------|
| Materials, contracts & other expenses | 2,149,988    | 2,085,626    |

## Corporate services

### Library services

Council supports three community libraries. There are community libraries in Pinnaroo and Lameroo and a depot at Geranium which is part of the Lameroo community library.



### Library structure

Council continues to support the operation of libraries through the allocation of grant funding. The allocation is more than the required amount specified by the Libraries Board of SA. The Libraries Board sets the required contribution from councils to libraries in accordance with the existing 10 year agreement between the Minister for the Arts and the President of the Local Government Association. Council allocated \$13,000 to each of the three library facilities in 2019/2020.

### Libraries strategic plan

Following the services delivery review in 2015/2016 the Library Strategy Group including representatives from the Lameroo Regional Community School, Pinnaroo Primary School, Geranium Primary School, Libraries of SA and Council established the Libraries Forward Plan. The key strategies from the plan include – sustainable structures and systems, equitable and cost effective services, engaging the community, better access to new technologies and economic development.

In 2019/2020 the Libraries Management Board comprising of the three school principals, library staff and a council representative continued to meet and work together to implement actions from the agreed plan and review services.





## Corporate services

### Murraylands STARclub Field Officer Program

In 2019/2020 Council continued its commitment to the funding of the Murraylands STARclub Field Officer Program. This was formalised with a memorandum of understanding between the five Murraylands councils and the State Government's Office for Recreation, Sport and Racing (ORSR) in 2017/18.

The Integrated Murraylands Physical Activity Committee (IMPAC) provides direction for the STARclub Program, and membership includes key leaders from each of the five funding councils (Rural City of Murray Bridge, Coorong District Council, Mid Murray Council, District Council of Karoonda East Murray and the Southern Mallee District Council).

STARclub focuses on growing and sustaining strong sport and recreation clubs, where quality coaches and officials work alongside valued volunteers in a safe and welcoming environment.

Southern Mallee District Council has two clubs that have achieved STARclub status. This is the highest level possible and several other clubs are working towards this. The Mallee Football League is one of these successful clubs and was also the first Football League in South Australia to achieve this feat which is a fantastic outcome for our region.

The STARclub program in the Murraylands is one of the largest and most successful, exceeding all targets set every year by ORSR and the management committee. The STARclub field officer has made a huge difference across the region in helping clubs run better and attract funding to deliver on community aspirations.

The field officer also played a key role through the Covid-19 pandemic providing crucial updates and information to clubs through social media channels regarding social distancing, crowd control, cleaning protocols and anything else that assisted clubs to responsibly run community sport and recreation activities during the pandemic.



# Corporate services

## Event approvals

During the 2019/2020 financial year there were 65 approvals given to organisations and individuals for a range of community activities. This is a significant decrease from the previous year where the total permits approved was 130. The primary reason for the decrease was the global pandemic, COVID-19, with many events and activities unable to proceed.



Key events for the year included;

- Lions Club of Lamerook - Skin Cancer Bus
- Lamerook Regional School Production - "Lucky"
- Lamerook Regional School Pastoral Care Movie Night - "Lion King"
- Parilla Seasonal Markets
- Hills Hero's Beyond Blue Fundraiser
- Mallee Swim Club - Training Squads & Lessons
- Cabaret Fundraiser - "Melodies in the Mallee"
- Legacy Badge Sale Stall
- Pinkerton Palm Hamlyn & Steen - Pinnaroo Off Shears Sale
- Australian Red Cross - Door Knock Appeal & Raffle
- Pinnaroo Show and Field Day
- Lamerook Regional School Mini Market
- Lions Club of Lamerook - Driver Reviver Station
- Pinnaroo Lions Club - Strawberry Fete
- Pinnaroo RSL - Centenary Celebrations
- DanceSA Classes and Annual Showcase
- Lamerook Supper Club - Pop Up Pizza and Gin Bar
- Mallee Community Health - Pink Ribbon Morning Tea
- Mallee Community Health - Annual Fete
- Eastern Districts Swimming Association - Interclub Swimming Competition
- Christmas Street Parades & Celebrations in Lamerook and Pinnaroo
- Pinnaroo Carols in the Wetlands
- Aqua Aerobics in Lamerook and Pinnaroo
- Australia Day Events in Lamerook and Pinnaroo
- AUSTSWIM Swimming and Water Safety Course
- Pinnaroo Fitness Health and Wellness – Fitness Classes
- South Australian Murray Darling Basin NRM - Distribution of fox baits

In addition to the events listed above there was also various stalls, swimming activities and classes, weddings, funerals, fundraisers, accountant visits, school presentations, movie nights and other activities held across the district.

## Corporate services

### Internal controls

In June 2020 Dean Newbery & Partners conducted a mid-term audit of the Council's Internal Controls and the resulting external audit management report was presented to the audit committee and council for review and implementation.

The audit team highlighted nine key matters to Council which was consistent with the previous year noting one matter was actually a compliment rather than a concern. The audit priority ratings of the activities highlighted are as follows:

| Activities<br>2019 | Audit priority<br>rating | Activities<br>2020 | Audit priority<br>rating |
|--------------------|--------------------------|--------------------|--------------------------|
| 3                  | High                     | 1                  | High                     |
| 4                  | Moderate                 | 5                  | Moderate                 |
| 1                  | Low                      | 2                  | Low                      |
| 1                  | N/A                      |                    | N/A                      |
| 9                  | Total                    | 9                  | Total                    |

Council is committed to continuous improvement and upon receipt of the external audit management report the Corporate services team met to review the comments and recommendations. As part of managements response council staff implemented, where reasonable, a further range of activities, checks and reports to help address the highlighted activities.



# Corporate services

## Audit Committee activity report

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 2019/2020 financial year.

## Membership

Council has appointed members to its Audit Committee as follows:

| Name                | Position                                    |
|---------------------|---|
| Mr Peter Brass      | Independent Chair – resigned December 2019  |
| Mr Ross Haslam      | Independent Chair – appointed February 2020 |
| Mr Robert Reiman    | Independent Member                          |
| Cr Neville Pfeiffer | Council member                              |
| Cr Jeffrey Nickolls | Council Member                              |
| Cr Trevor Hancock   | Council Member                              |

The following staff members have attended meetings as observers:

- Chief Executive Officer
- Manager Corporate Services
- Nyree Hayes, Corporate Services Officer
- Shona Hyde, Governance Officer

# Corporate Services

## Audit Committee activity report

The following people have attended meetings as guests:

- Vanessa McDonald, SMDC finance consultant
- Jim Keogh, Dean Newbery and Partners

## Meetings

In the previous year the general election and the caretaker period impacted on the normal cycle of audit committee meetings resulting in only three meetings during that period. This year the committee has been quite active reviewing a significant amount of work including the effects of COVID-19 and met in person or via zoom on six separate occasions.

During the year Independent Chair Mr Peter Brass resigned and was thanked and acknowledged for his significant contribution and leadership to the committee. After a successful expression of interest campaign the committee welcomed the appointment of Mr Ross Haslam as the new independent chair. Attendance at meetings was as follows:

| Meeting Date     | Attendance   |
|------------------|--|
| 02 October 2019  | All in attendance  |
| 18 December 2019 | Cr Jeffrey Nickolls was an apology                                     |
| 04 March 2020    | Cr Jeffrey Nickolls was an apology<br>Cr Trevor Hancock was an apology |
| 22 April 2020    | All in attendance  |
| 13 May 2020      | All in attendance  |
| 05 June 2020     | All in attendance  |

Mr Jim Keogh of Dean Newbery and Partners, External Auditors met with the Audit Committee in camera at the ordinary meeting on 2 October 2019.

## Training activities

There were no scheduled training activities during 2019/2020.





## Corporate services

## Audit Committee activity report

## Committee activities

The following table sets out the key issues addressed by the Audit Committee during 2019/2020 in line with the Audit Committees Terms of Reference:

| Activity                                      | Outcome  |
|---|--|
| Financial Reporting                           | Budget reviews 1, 2 and 3 and financial performance report.<br>Review of investments.<br>Financial policy reviews.<br>Long term financial plan.<br>Asset management plans.<br>Draft annual business plan and budget 2020-2021.<br>2020-2021 Annual business plan and budget. |
| Internal Controls and Risk Management Systems | Review of internal financial controls.<br>Review of risk management systems.<br>Review of business continuity plan and response to COVID-19.   |
| External Audit                                | 2018/2019 Interim audit and management response.<br>2018/2019 Audited annual financial statements.<br>Meeting with external auditor (in camera).   |
| Audit Committee Performance                   | Activity report 2018-2019.<br>Audit committee work plan.<br>Audit committee self-assessment & performance review.<br>Resignation and appointment of independent chair.   |



# Corporate services

## Rating policy framework

Council has a Rating policy and framework which includes the following attributes:

- Information on Valuer-General valuations
- The rating model used
- Community wastewater management system service charges
- Method used to value land
- Provisions for an objection to valuation
- Explanation of differential general rates
- Details of the minimum rate
- Details of the Natural resources management levy
- Explains service charges
- State government concession information
- Details about postponement of rates for seniors
- Rebate of rates information
- Sale of land for non-payment of rates
- Payment of rates
- Discount for early payment of rates
- Late payment of rates information.



## Corporate services

### Childcare services

Council provides an innovative childcare service known as Mallee COGS. The service aims to provide individual quality care by nurturing and educating young children through a play based program in an environment which is safe and secure, complimenting and valuing the family and community, and supporting their diverse backgrounds. The childcare services, located in Lameroo and Pinnaroo, provide Long Day Care as well as Out of School Hours Care to children across the region.

In February 2020, two brand new purpose built centres were opened for operation offering 5 day per week care in both locations. This was made possible with Federal Government Drought Communities Programme Extension funding. Southern Mallee District Council was the beneficiary of \$1 million dollars to support local infrastructure and other projects for communities. Councils allocated the bulk of this funding and some of its own funding to the provision of two new purpose built childcare facilities in Lameroo and Pinnaroo.

The childcare service is a vital service for families in the region who are in the workforce as well as those self-employed families. The service is now able to offer up to 330 childcare places per week across the two services, a significant increase from previous availability.



## Corporate services

### Childcare services

Mallee COGS has seen a number of milestones, changes and improvements over the past 12 months, some of which include;

- Opening of the two new purpose build childcare facilities.
- Continued partnership with Gowrie SA surrounding inclusion support for children with additional needs.
- Maintained the minimum enrolment numbers to ensure the continued service in both locations
- Supporting staff in upskilling their qualifications
- Providing workplace learning placements for Lamerook Regional Community School students.



Covid-19 has certainly been challenging for our Childcare businesses during the pandemic however our professional staff have showed great resilience to overcome many obstacles and remain open. Council is very proud of its new childcare centres, after many years of hard work trying to secure new facilities, and the benefits they now provide to the greater Southern Mallee community.



## Infrastructure services

The Infrastructure services team had a very productive 2019/20. With the responsibility of managing a large portion of the Council's annual budget, it was truly a team effort to complete all the works planned for the year.

A number of significant capital and renewal projects were delivered in 2019/20 as well as maintenance of current assets.

Council is responsible for 1,342 kilometres of roads across the district of which 132 kilometres are sealed. Other areas of responsibility include community swimming pools, cemeteries, the Pinnaroo Aerodrome, waste water, parks and gardens, waste and recycling, plant and equipment, storm water and quarries.

Council's overall expenditure on infrastructure works including road renewal and road maintenance works was \$3.085million. This was funded by rates but also by specific government grants including Roads to Recovery (R2R) funding \$610,771 and Drought Funding \$100,000.



# Infrastructure services

## Road construction and maintenance works

Works carried out included:

### Resheeting of unsealed roads

Council has 1,212 kilometers of unsealed roads to maintain across the district. Depending on volume and type of traffic and quality of rubble, they need resheeting every 20 to 25 years. In 2019/20 Council spent \$1,011,680 carrying out various resheets.

| Road name                 | Amount (\$)      |
|---------------------------|------------------|
| Longtrail Road – 3km      | 123,370          |
| Karte West Road - 4km     | 142,441          |
| Oaks Road - 2 km          | 98,411           |
| O'Loughlin Road – 4.8km   | 203,659          |
| Geranium North Road – 6km | 162,615          |
| Heinzel Road – 1.7km      | 75,053           |
| Karte Road -6km           | 206,131          |
| <b>Total</b>              | <b>1,011,680</b> |



## Infrastructure services

### Road construction and maintenance works

Works carried out included:

#### Maintenance works

Maintenance works carried out across the district included:

| Road name               | Amount (\$)    |
|-------------------------|----------------|
| Patrol grading/patching | 593,993        |
| Sealed road repairs     | 37,821         |
| Footpath maintenance    | 14,875         |
| Traffic control         | 3,000          |
| Other road services     | 151,000        |
| <b>Total</b>            | <b>677,000</b> |

(Includes, weed spraying, roadside mowing and inspections)

#### Road reseals

Council has 132 kilometres of sealed roads and streets which need to be resealed approximately every 20 years. In 2019/2020 Council spent \$47,728 on sealed roads.

#### Town streets upgrades

##### Footpath works

Footpath construction works were carried out with a total footpath expenditure of \$80,698. Concrete footpath constructed from Lameroo School down Railway Terrace South to Lameroo Memorial Hall as well as along Chandos Terrace to Butler Terrace for a total distance of 480 meters.



# Infrastructure services

## Parks, gardens and recreational reserves

Council has a significant area of parks, gardens and reserves to maintain in Pinnaroo and Lameroo and a smaller area to maintain in Geranium and Parilla. Council has over the years embraced a system for all parks, reserves and roadsides so that the highly utilised parks receive more maintenance and attention compared to the less used parks and reserves.

The expenditure on all parks, gardens and recreational reserve maintenance in 2109/2020 was \$296,806.

## Plant & machinery

Council has continued to upgrade and replace plant (vehicles and machinery) in accordance with its 10 year plant replacement program. This ensures Council turns over plant at the optimum time.

During 2019/2020 the Council procured \$236,906 worth of plant and machinery including two cars, combination roller, single cab ute and a dual cab ute.

During the financial year Council expended \$192,000 on purchasing fuel and oil, and \$210,000 on maintaining its plant and machinery.

## Waste management

Southern Mallee District Council operates three transfer stations throughout the district located at Pinnaroo, Lameroo and Geranium. The landfill site is located at Lameroo.

Waste management expenditure in 2019/2020 was \$391,000.

The main expenditure items were:

- Transfer stations \$109,000
- Landfill maintenance \$69,000
- Collection of 240 litre waste bins from town properties weekly \$71,000
- Collection of 240 litre recycling bins from town properties monthly \$37,000

# Infrastructure services

## Community wastewater management systems (CWMS)

Council has a CWMS in Lameroo and Pinnaroo. The cost of running these two schemes in 2019/2020 was \$215,000, which is totally funded by the service charges applied against users of the schemes. Council has started to undertake a full pipe replacement of the Pinnaroo CWMS lines in the 2019/2020 budget year (allocation \$580,000) with some works carried over into the 2020/2021 year.

## Aerodrome

Council maintains a single authorised landing field at Pinnaroo that has one strip which is unsealed. It is used by the Royal Flying Doctor Service and local pilots.

Safety audits are undertaken each year as well as regular inspections followed by any necessary maintenance to ensure that the aerodrome remains suitable for continuing use.



## Other work

### Street cleaning

Street cleaning is undertaken by a contractor who does a 6 week cycle of the district streets. Expenditure in 2019/20 was \$33,000.

# Infrastructure services

## Other works

### Cemeteries

Council has three cemeteries that it maintains.

The cost of maintaining our cemeteries in 2019/20 was \$25,000

## Asset management plans

Council has asset management plans for all areas of the Council's operations which will help ensure sustainable management of the Council's infrastructure.

Infrastructure asset management plans define the service levels to be provided by the assets, which combined with condition assessment information and the various hierarchies across the asset classes allow the most urgent works to be prioritised and completed. The plans also define maintenance funding requirements to ensure assets continue to meet the required level of service and prevent premature degradation. The funding requirements for all asset classes will be reflected in the Council's Long Term Financial Plan to ensure the overall financial sustainability of Council.



# Infrastructure services

## Swimming pools

The Southern Mallee District Council operate two community swimming pools located in Lameroo and Pinnaroo.

In 2019/2020 Council was fortunate enough to receive commonwealth drought funding of which a substantial proportion was allocated to the upgrade of change rooms in both Lameroo and Pinnaroo, this was well received from the community.



## Property and development services

The following portfolio of responsibilities are conducted by the delegated Council staff or contractor.

- Assessment & approval of waste control systems
- Property management
- Planning & building approvals
- Development control
- Immunisation promotion
- Food safety
- Fire prevention
- Animal management
- SA Public Health Act requirements



## General environmental health & food safety

### Regional public health planning

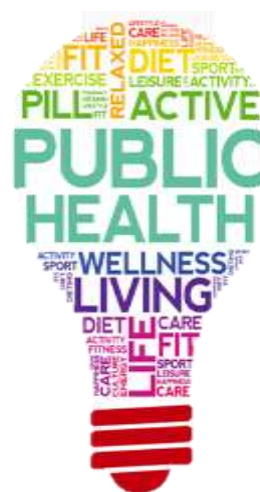
As required by the SA Public Health Act 2011 the Local Government Murray Mallee Public Health, consisting of the Murray Mallee Local Government Association formed to combine a joint plan for the region. This committee meet on a quarterly basis to plan and develop projects for each Local Government area.

The resulting plan has become a living document and thus a guide to future Public Health initiatives, particularly in relation to “lifestyle diseases”.

The Murray Mallee Local Government Association Public Health Committee was the first regional group to have our plan developed and operating and provided a guide for the rest of the Local Government Association groups.

The Murray Mallee Local Government Association consists of the following areas:

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





# Property and development services

## Shared services

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



## Immunisation promotion

The schools immunisation programs continued to be conducted, under contract to the Council, by the Mallee Health Service. All returns for the 2019/2020 programs were completed and returned to the Department of Health in a timely fashion.

## Local Nuisance and Litter Control Act and Regulations

Council received two complaints of local nuisance for the 2019/2020 period.

## Property and development services

### Animal management

The provisions of the Dog & Cat Management Act 1995 were administered throughout the year.

There was a decrease in the number of impounded dogs during the 2019/2020 financial year along with a reduction in dog attack and harassment reports made to Council. There was an increase in the number of dogs wandering at large.

There was an increase in the number of expiations issued to owners and one dog was euthanized during the 2019/2020 financial year. Southern Mallee District Council issued several public notifications relating to owners responsibilities under the Dog and Cat Management Act 1995.

Complaints regarding barking dogs were also followed up with correspondence reminding the owners of their obligations as responsible dog owners.

There were no complaints or incidents involving cats and the council continues to provide live cat traps to rate payers to allow them to deal with feral cat issues on their properties.





## Property and development services

### Development application fees

These fees, which are adjusted by the State Government each year, vary in accordance with the nature and type of project being undertaken.

A list of types of applications and fees are provided to fully appreciate the cost of development as set by the State Government.

### Development control

A number of development applications were processed under the provisions of the Development Act 1993 and the Council's Development Plan during the year.

The types of applications processed were as follows:

|                                       |           |
|---------------------------------------|-----------|
| Verandas/Patio/Shade sail             | 7         |
| Carports                              | 8         |
| Domestic Sheds / Garages              | 12        |
| Farm Sheds                            | 14        |
| New Dwellings                         | 4         |
| Metal cut outs on council land        | 1         |
| Land Division                         | 1         |
| Refurbishment of business             | 1         |
| Change of Land Use                    | 1         |
| Solar Panels                          | 1         |
| Industrial sheds/warehouses           | 3         |
| House Extension                       | 3         |
| Signage                               | 1         |
| Sea containers                        | 1         |
| Cabin Accommodation(2 x cabins)       | 1         |
| Childcare Facilities                  | 2         |
| Goods on Footpath                     | 2         |
| Extension of liquor license area      | 1         |
| Administration office                 | 1         |
| Workers Accommodation                 | 2         |
| Cover for gilt selection yards        | 1         |
| Sheep feedlot                         | 1         |
| Curved Shade house                    | 1         |
| Concrete batching plant               | 1         |
| LED lighting installation             | 1         |
| Installation of new standby generator | 1         |
| <b>Total</b>                          | <b>71</b> |



## Property and development services

### Assessment and approval of waste control systems

Council received applications for the installation of / or alterations to a waste control systems and these were assessed against the requirements of SA *Public Health Act (Waste Control) Regulations 1995* via the agreement with Rural City of Murray Bridge.

Number of waste control system applications approved: 26

### Property Management

A capital works budget of \$60,000 was allocated to the Pinnaroo Retirement Village for a roof restoration project. Subsequent budget reviews saw the budget double as the restoration project was recommended for a replacement project that would double the lifespan of the roof.

Due to onset of Covid-19 and the various restrictions imposed by the state government, and taking into account the safety of councils own residents at the retirement village, this work was unable to be completed prior to June 30. Council at its meeting of 29 July 2020 approved the carry forward of these funds to ensure the completion of the project as restrictions ease.

Further internal salt damp works were undertaken within the Pinnaroo Institute and a restoration program within the main hall has refurbished the hall, giving the space a more modern and clean finish. Building renovations have expanded the gym and one of the toilets has been refurbished with the second requiring some salt damp works and then refurbishing. The main contributing factor to the rising damp issue has been identified as a poor stormwater management system and this will be rectified in the new year.

The Pinnaroo Chambers and CEO's office have also been refurbished as part of a \$30,000 dollar upgrade to council facilities that delivered more functional and user friendly spaces. An asset inspection program was implemented on key Council buildings to identify what maintenance and capital works will be required in the short, medium and long term. This report will form the basis of the building asset management program in the years to come.



## Property and development services

### Parilla accommodation

Council operates the Parilla Accommodation Facility to primarily assist horticulture producers in the district by providing accommodation for seasonal workers. Council has invested time and financial resources into the facility this year in both infrastructure upgrades and renewals. Investment into the toilet and laundry block proceeded after commitment from Council in May 2019 and the approved carryover of funds into the 2019/2020 financial year.

The statement of comprehensive Income for the facility is outlined below:

#### Parilla Accommodation Statement of Comprehensive Income as at 30 June 2020

|                            | 2019/2020<br>ACTUAL | BUDGET             |
|----------------------------|---------------------|--------------------|
| <b>INCOME</b>              |                     |                    |
| User Chargers              | 103,047.69          | 100,000            |
| Other Revenue              | 381.82              | 500                |
| <b>Total Income</b>        | <b>103,429.51</b>   | <b>100,500</b>     |
|                            |                     |                    |
| <b>EXPENDITURE</b>         |                     |                    |
| Contractual Services       | 22,748.58           | 19,589.28          |
| Depreciation               | 11,920.90           | 13,000.00          |
| Other Expenses             | 11,005.60           | 6675.01            |
| Materials                  | 32,883.64           | 25,540.00          |
| Wages & Salaries           | 50,937.98           | 54,564.17          |
| <b>Total Expenditure</b>   | <b>129,496.70</b>   | <b>119,368.46</b>  |
|                            |                     |                    |
| <b>Surplus / (Deficit)</b> | <b>(26,067.19)</b>  | <b>(18,868.46)</b> |

Whilst income was slightly up on previous years it appears that alternative worker accommodation in the region is still impacting the Parilla facility. Covid-19 also had a negative impact on the facility as responsible occupancy levels were managed to comply with social distancing requirements. In 2018/2019 the income for this facility was \$100,998.70 and in 2017/2018 it was \$128,777.49.



# Property and development services

## Bushfire prevention

Bushfire prevention activities undertaken included:-

- Public information and education
- Surveys
- Issuing of risk reduction notices where required, and
- The carrying out of block clearance work in default when notices were not complied with



## Notices

A total of one hundred and seven 105F notices reminder notices being issued in the 2019/20 financial year. This was a sizeable increase of notices up from thirty one notices the previous year, this substantial increase is most likely from inspection being carried out earlier in the year with the Fire Danger Season being moved forward by 15 days to 1 November.

## Burning permits

The issuing of burning permits during the fire danger season continued to be undertaken by the Council's permit officers.

## Murray Mallee Bushfire Management Committee

Southern Mallee District Council continues to be represented on the Murray Mallee Bushfire Management Committee. This committee has the primary function of preparing and implementing new plans for bushfire prevention and management across the Murray Mallee region.

## Grain Harvesting Code of Practice

The Grain Harvesting Code of Practice, developed by the South Australian Farmers Federation, in consultation with the SA Country Fire Service, was again voluntarily implemented during the fire danger season by the local farming community with great success.



## Property and development services

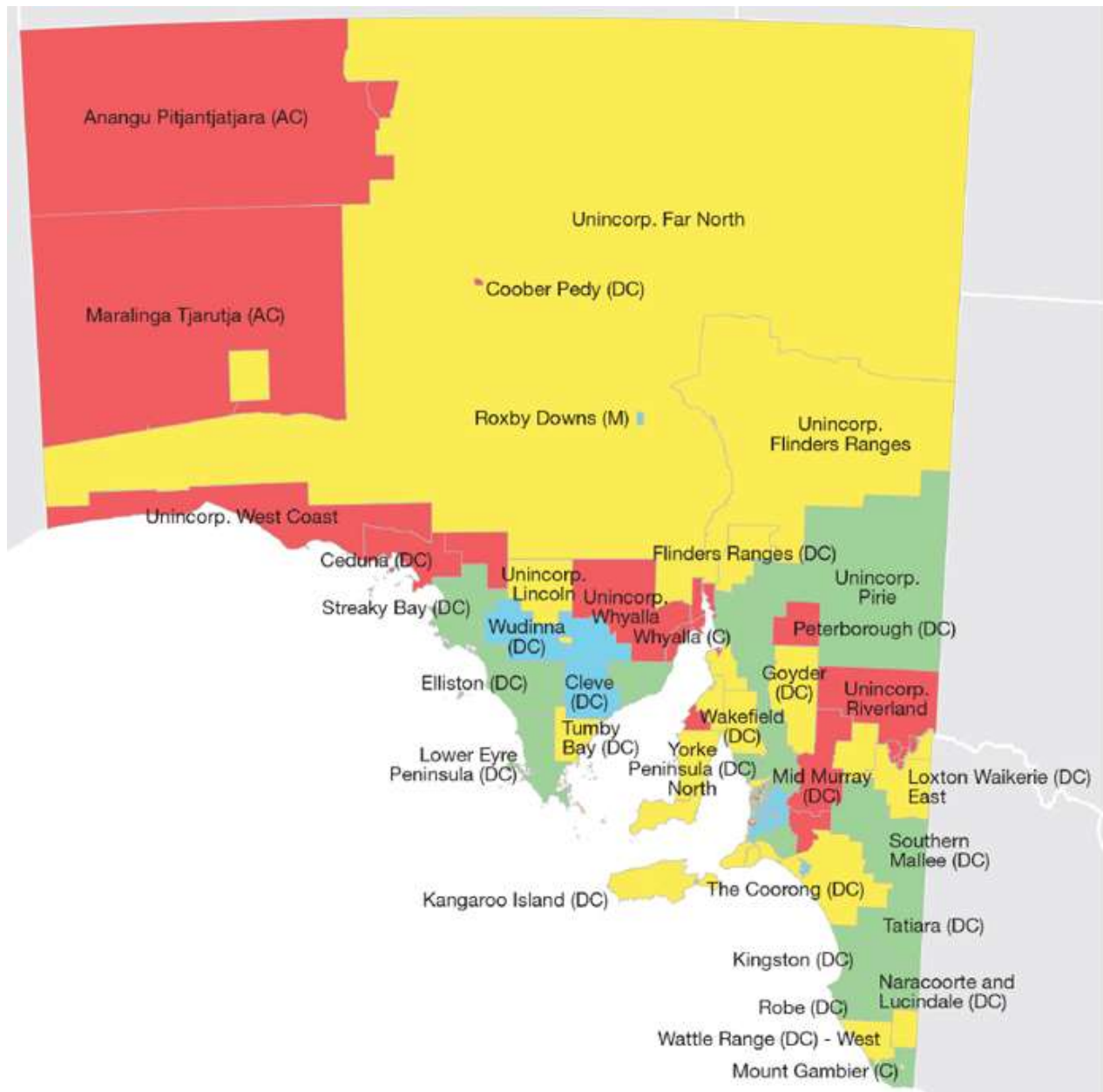
### Development plan amendment

The State Government has implemented a new planning system, with a new Act, regulations and state wide planning policies going into force on 31 July 2020 for regional councils. Currently metropolitan councils have not yet moved across to the new system and it will be delayed until after 31 December 2020. Whilst the portal and reforms were supposed to speed up and streamline the application process there have been significant issues with the system causing delays.





## Regional map





[illegible]

# **SOUTHERN MALLEE DISTRICT COUNCIL**

## **General Purpose Financial Reports**

**for the year ended 30 June 2020**

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**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Annual Financial Statements for**  
**the year ended 30 June 2020**

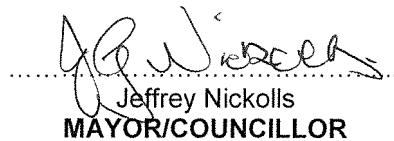
**CERTIFICATION OF FINANCIAL STATEMENTS**

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 2020 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.



Jason Taylor  
**CHIEF EXECUTIVE OFFICER**

  
Jeffrey Nickolls  
**MAYOR/COUNCILLOR**

Date: 18/11/2020

# SOUTHERN MALLEE DISTRICT COUNCIL

## Statement of Comprehensive Income

for the year ended 30 June 2020

|  | Notes | 2020<br>\$       | 2019<br>\$       |
|--|-------|------------------|------------------|
| <b>INCOME</b>  |       |                  |                  |
| Rates  | 2     | 4,320,220        | 4,216,424        |
| Statutory charges  | 2     | 55,865           | 46,649           |
| User charges   | 2     | 782,833          | 674,426          |
| Grants, subsidies and contributions  | 2     | 2,408,188        | 2,647,983        |
| Investment income  | 2     | 55,035           | 74,313           |
| Reimbursements   | 2     | 118,252          | 140,158          |
| Other income   | 2     | 168,563          | 204,783          |
| <b>Total Income</b>  |       | <b>7,908,956</b> | <b>8,004,736</b> |
| <b>EXPENSES</b>  |       |                  |                  |
| Employee costs   | 3     | 2,954,209        | 2,632,395        |
| Materials, contracts & other expenses  | 3     | 2,085,626        | 2,149,988        |
| Depreciation, amortisation & impairment  | 3     | 2,563,013        | 2,644,838        |
| Finance costs  | 3     | 97,380           | 115,814          |
| <b>Total Expenses</b>  |       | <b>7,700,228</b> | <b>7,543,035</b> |
| <b>OPERATING SURPLUS / (DEFICIT)</b>   |       | <b>208,728</b>   | <b>461,701</b>   |
| Asset disposal & fair value adjustments  | 4     | (85,268)         | 86,909           |
| Amounts received specifically for new or upgraded assets                       | 2     | 100,000          | 925,000          |
| <b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>               |       | <b>223,460</b>   | <b>1,473,610</b> |
| <b>Other Comprehensive Income</b>  |       |                  |                  |
| <i>Amounts which will not be reclassified subsequently to operating result</i> |       |                  |                  |
| Changes in revaluation surplus - infrastructure, property, plant & equipment   | 9     | 7,369,719        | 24,231           |
| <b>Total Other Comprehensive Income</b>  |       | <b>7,369,719</b> | <b>24,231</b>    |
| <b>TOTAL COMPREHENSIVE INCOME</b>  |       | <b>7,593,179</b> | <b>1,497,841</b> |

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

# SOUTHERN MALLEE DISTRICT COUNCIL

## Statement of Financial Position

as at 30 June 2020

|   |       | 2020              | 2019              |
|---|-------|-------------------|-------------------|
|   | Notes | \$                | \$                |
| <b>ASSETS</b>                               |       |                   |                   |
| <b>Current Assets</b>                       |       |                   |                   |
| Cash and cash equivalents                   | 5     | 4,895,124         | 4,286,874         |
| Trade & other receivables                   | 5     | 591,212           | 660,471           |
| Inventories                                 | 5     | 129,395           | 68,880            |
| <b>Total Current Assets</b>                 |       | <b>5,615,731</b>  | <b>5,016,225</b>  |
| <b>Non-current Assets</b>                   |       |                   |                   |
| Financial assets                            | 6     | 59,000            | 59,000            |
| Infrastructure, property, plant & equipment | 7     | 70,130,186        | 62,568,387        |
| <b>Total Non-current Assets</b>             |       | <b>70,189,186</b> | <b>62,627,387</b> |
| <b>Total Assets</b>                         |       | <b>75,804,917</b> | <b>67,643,612</b> |
| <b>LIABILITIES</b>                          |       |                   |                   |
| <b>Current Liabilities</b>                  |       |                   |                   |
| Trade & other payables                      | 8     | 1,061,735         | 255,465           |
| Borrowings                                  | 8     | 255,067           | 270,838           |
| Provisions                                  | 8     | 715,559           | 686,611           |
| <b>Total Current Liabilities</b>            |       | <b>2,032,361</b>  | <b>1,212,914</b>  |
| <b>Non-current Liabilities</b>              |       |                   |                   |
| Borrowings                                  | 8     | 877,009           | 1,132,076         |
| Provisions                                  | 8     | 15,958            | 12,212            |
| <b>Total Non-current Liabilities</b>        |       | <b>892,967</b>    | <b>1,144,288</b>  |
| <b>Total Liabilities</b>                    |       | <b>2,925,328</b>  | <b>2,357,202</b>  |
| <b>NET ASSETS</b>                           |       | <b>72,879,589</b> | <b>65,286,410</b> |
| <b>EQUITY</b>                               |       |                   |                   |
| Accumulated Surplus                         |       | 14,271,103        | 14,040,633        |
| Asset Revaluation Reserves                  | 9     | 57,615,734        | 50,246,015        |
| Other Reserves                              | 9     | 992,752           | 999,762           |
| <b>TOTAL EQUITY</b>                         |       | <b>72,879,589</b> | <b>65,286,410</b> |

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

# SOUTHERN MALLEE DISTRICT COUNCIL

## Statement of Changes in Equity

for the year ended 30 June 2020

|  |       | Acc'd<br>Surplus | Asset Rev'n<br>Reserve | Other<br>Reserves | TOTAL<br>EQUITY |
|--|-------|------------------|------------------------|-------------------|-----------------|
| 2020   | Notes | \$               | \$                     | \$                | \$              |
| Balance at end of previous reporting period                        |       | 14,040,633       | 50,246,015             | 999,762           | 65,286,410      |
| Restated opening balance   |       | 14,040,633       | 50,246,015             | 999,762           | 65,286,410      |
| <b>Net Surplus / (Deficit) for Year</b>                            |       | 223,460          | -                      | -                 | 223,460         |
| <b>Other Comprehensive Income</b>                                  |       |                  |                        |                   |                 |
| Gain on revaluation of infrastructure, property, plant & equipment | 9     | -                | 7,369,719              | -                 | 7,369,719       |
| Transfers between reserves   | 9     | 7,010            | -                      | (7,010)           | -               |
| <b>Balance at end of period</b>                                    | 9     | 14,271,103       | 57,615,734             | 992,752           | 72,879,589      |

|  |       | Acc'd<br>Surplus | Asset Rev'n<br>Reserve | Other<br>Reserves | TOTAL<br>EQUITY |
|--|-------|------------------|------------------------|-------------------|-----------------|
| 2019   | Notes | \$               | \$                     | \$                | \$              |
| Balance at end of previous reporting period                                  |       | 12,999,907       | 50,221,784             | 566,878           | 63,788,569      |
| Restated opening balance   |       | 12,999,907       | 50,221,784             | 566,878           | 63,788,569      |
| <b>Net Surplus / (Deficit) for Year</b>                                      |       | 1,473,610        |                        |                   | 1,473,610       |
| <b>Other Comprehensive Income</b>  |       |                  |                        |                   |                 |
| Changes in revaluation surplus - infrastructure, property, plant & equipment | 9     | -                | 24,231                 | -                 | 24,231          |
| Transfers between reserves   | 9     | (432,884)        | -                      | 432,884           | -               |
| <b>Balance at end of period</b>  | 9     | 14,040,633       | 50,246,015             | 999,762           | 65,286,410      |

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



# SOUTHERN MALLEE DISTRICT COUNCIL

## Statement of Cash Flows

for the year ended 30 June 2020

|   |              | 2020               | 2019               |
|---|--------------|--------------------|--------------------|
|   |              | \$                 | \$                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   | <b>Notes</b> |                    |                    |
| <i><b>Receipts:</b></i>                                       |              |                    |                    |
| Rates - general & other                                       |              | 4,326,946          | 4,126,752          |
| Fees & other charges  |              | 55,865             | 46,649             |
| User charges  |              | 1,339,658          | 638,093            |
| Investment receipts   |              | 55,278             | 83,897             |
| Grants utilised for operating purposes                        |              | 2,408,188          | 2,647,983          |
| Reimbursements  |              | 118,252            | 140,158            |
| Other revenues  |              | 174,028            | 213,920            |
| <i><b>Payments:</b></i>                                       |              |                    |                    |
| Employee costs  |              | (2,911,866)        | (2,555,759)        |
| Materials, contracts & other expenses                         |              | (1,807,201)        | (2,273,325)        |
| Finance payments  |              | (139,699)          | (119,087)          |
| <b>Net Cash provided by (or used in) Operating Activities</b> | <b>11</b>    | <b>3,619,449</b>   | <b>2,949,281</b>   |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |              |                    |                    |
| <i><b>Receipts:</b></i>                                       |              |                    |                    |
| Amounts specifically for new or upgraded assets               |              | 100,000            | 925,000            |
| Sale of replaced assets                                       |              | 128,340            | 202,890            |
| Sale of surplus assets  |              | 116,645            | -                  |
| <i><b>Payments:</b></i>                                       |              |                    |                    |
| Expenditure on renewal/replacement of assets                  |              | (1,902,801)        | (1,688,827)        |
| Expenditure on new/upgraded assets                            |              | (1,182,545)        | (1,156,821)        |
| <b>Net Cash provided by (or used in) Investing Activities</b> |              | <b>(2,740,361)</b> | <b>(1,717,758)</b> |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |              |                    |                    |
| <i><b>Payments:</b></i>                                       |              |                    |                    |
| Repayments of borrowings                                      |              | (270,838)          | (279,979)          |
| <b>Net Cash provided by (or used in) Financing Activities</b> |              | <b>(270,838)</b>   | <b>(279,979)</b>   |
| <b>Net Increase (Decrease) in cash held</b>                   |              | <b>608,250</b>     | <b>951,544</b>     |
| <br>Cash & cash equivalents at beginning of period            | <b>11</b>    | <b>4,286,874</b>   | <b>3,335,330</b>   |
| <b>Cash &amp; cash equivalents at end of period</b>           | <b>11</b>    | <b>4,895,124</b>   | <b>4,286,874</b>   |

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

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**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 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 dollars (\$).

**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 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.

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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

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 |           |
|---------|-----------------------|-------------------|------------|-----------|
| 2017-18 | \$1,565,852           | \$1,524,277       | + / -      | \$41,575  |
| 2018-19 | \$1,804,656           | \$1,526,233       | + / -      | \$278,423 |
| 2019-20 | \$1,539,484           | \$1,580,061       | + / -      | \$40,577  |

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.

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, except for trade receivables from a contract with a customer, which are measured at the transaction price. 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 Land under roads**

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

**6.2 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.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

**6.3 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.

**6.4 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

**6.5 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 Bond for Aged Care Residential Accommodation. This bond is held in accordance with the Retirement Villages Act 2016(SA)

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

**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".

**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 average discount rate     | 0.34% (2019, 1.081%)  |
| Weighted average settlement period | 1 year (2019, 1 year) |

**9.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. 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 and amended standards and interpretations**

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

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in section 10 of this note. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed.

The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of \$0 and a decrease to Accumulated Surplus of \$0.



**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 2 - INCOME**

|  | 2020             | 2019      |
|--|------------------|-----------|
| Notes  | \$               | \$        |
| <b>RATES REVENUES</b>                                |                  |           |
| <u>General Rates</u>                                 | <b>3,635,002</b> | 3,575,700 |
| Less: Mandatory rebates                              | <b>(77,977)</b>  | (70,826)  |
| Less: Discretionary rebates, remissions & write offs | <b>(17,908)</b>  | (40,913)  |
|  | <b>3,539,117</b> | 3,463,961 |
| <u>Other Rates</u> (including service charges)       |                  |           |
| Natural Resource Management levy                     | <b>116,388</b>   | 111,469   |
| Waste collection                                     | <b>196,252</b>   | 192,070   |
| Community wastewater management systems              | <b>421,658</b>   | 414,278   |
|  | <b>734,298</b>   | 717,817   |
| <u>Other Charges</u>                                 |                  |           |
| Penalties for late payment                           | <b>46,805</b>    | 34,646    |
|  | <b>46,805</b>    | 34,646    |
|  | <b>4,320,220</b> | 4,216,424 |
| <b>STATUTORY CHARGES</b>                             |                  |           |
| Development Act fees                                 | -                | 15,414    |
| Town planning fees                                   | <b>24,831</b>    | 9,085     |
| Health & Septic Tank Inspection fees                 | <b>9,056</b>     | 2,252     |
| Animal registration fees & fines                     | <b>17,604</b>    | 16,528    |
| Property Search Fees                                 | <b>4,374</b>     | 3,370     |
|  | <b>55,865</b>    | 46,649    |
| <b>USER CHARGES</b>                                  |                  |           |
| Cemetery/crematoria fees                             | <b>15,003</b>    | 17,354    |
| Health Care Centres                                  | <b>732</b>       | 771       |
| Mallee Mobile Childcare Service                      | <b>522,217</b>   | 402,125   |
| Waste Transfer Fees                                  | <b>18,339</b>    | 32,001    |
| Council Housing Rents                                | <b>28,580</b>    | 15,900    |
| Aged Care Rentals                                    | <b>24,331</b>    | 15,789    |
| Museum Entry Charges                                 | <b>1,737</b>     | 6,333     |
| Sport & Recreation Charges                           | <b>26,512</b>    | 29,487    |
| Swimming Pools                                       | <b>16,503</b>    | 24,722    |
| Parilla Accommodation                                | <b>103,430</b>   | 100,999   |
| Hall & equipment hire                                | <b>11,570</b>    | 26,354    |
| Sundry   | <b>13,879</b>    | 2,591     |
|  | <b>782,833</b>   | 674,426   |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 2 - INCOME (con't)**

|  | 2020             | 2019             |
|--|------------------|------------------|
| <b>INVESTMENT INCOME</b>                                 | <b>Notes</b>     |                  |
|  | <b>\$</b>        | <b>\$</b>        |
| Interest on investments:                                 |                  |                  |
| Local Government Finance Authority                       | 54,860           | 74,170           |
| Banks & other  | 175              | 143              |
|  | <u>55,035</u>    | <u>74,313</u>    |
| <b>REIMBURSEMENTS</b>                                    |                  |                  |
| Private Works  | 3,642            | 22,522           |
| Immunisations  | 726              | 695              |
| Drummuster & Karronda Rubbish Collection                 | 105,316          | 108,712          |
| Other  | 8,568            | 8,229            |
|  | <u>118,252</u>   | <u>140,158</u>   |
| <b>OTHER INCOME</b>                                      |                  |                  |
| Fire Prevention  | 1,703            | 1,219            |
| Mallee COGS  | 30,000           | 30,000           |
| Garbage  | 986              | 18,493           |
| Halls  | 2,731            | 2,935            |
| Museums  | -                | 782              |
| Swimming Pools   | 6,553            | 10,748           |
| Plant and Fuel Rebate                                    | 43,253           | 37,455           |
| Donations  | 796              | 1,968            |
| Sundry   | 82,541           | 101,183          |
|  | <u>168,563</u>   | <u>204,783</u>   |
| <b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>                  |                  |                  |
| Amounts received specifically for new or upgraded assets | 100,000          | 925,000          |
| Other grants, subsidies and contributions                |                  |                  |
| Untied - Financial Assistance Grant                      | 1,580,060        | 2,327,101        |
| Roads to Recovery  | 610,771          | 29,401           |
| Childcare  | 213,214          | 288,799          |
| Library & Communications                                 | 845              | 792              |
| Sundry   | 3,298            | 1,890            |
|  | <u>2,408,188</u> | <u>2,647,983</u> |
|  | <u>2,508,188</u> | <u>3,572,983</u> |
| <b>Sources of grants</b>                                 |                  |                  |
| Commonwealth government                                  | 923,985          | 1,218,200        |
| State government   | 1,580,905        | 2,352,893        |
| Other  | 3,298            | 1,890            |
|  | <u>2,508,188</u> | <u>3,572,983</u> |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 3 - EXPENSE**

|  |       | 2020             | 2019             |
|--|-------|------------------|------------------|
|  | Notes | \$               | \$               |
| <b>EMPLOYEE COSTS</b>                                    |       |                  |                  |
| Salaries and Wages                                       |       | 2,503,542        | 2,256,276        |
| Employee leave expense                                   |       | 205,575          | 159,024          |
| Superannuation - defined contribution plan contributions | 17    | 181,174          | 157,740          |
| Superannuation - defined benefit plan contributions      | 17    | 57,820           | 54,511           |
| Workers' Compensation Insurance                          |       | 125,202          | 107,016          |
| Less: Capitalised and distributed costs                  |       | (119,104)        | (102,172)        |
| <b>Total Operating Employee Costs</b>                    |       | <b>2,954,209</b> | <b>2,632,395</b> |
| <br>   |       |                  |                  |
| <b>Total Number of Employees</b>                         |       | <b>35</b>        | <b>31</b>        |
| <i>(Full time equivalent at end of reporting period)</i> |       |                  |                  |
| <br>   |       |                  |                  |
| <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>         |       |                  |                  |
| <u>Prescribed Expenses</u>                               |       |                  |                  |
| Auditor's Remuneration                                   |       |                  |                  |
| - Auditing the financial reports                         |       | 16,925           | 16,480           |
| Elected members' expenses                                |       | 87,904           | 107,404          |
| Subtotal - Prescribed Expenses                           |       | <b>104,829</b>   | <b>123,884</b>   |
| <br>   |       |                  |                  |
| <u>Other Materials, Contracts &amp; Expenses</u>         |       |                  |                  |
| Contractors  |       | 673,600          | 523,999          |
| Maintenance  |       | 887,079          | 804,590          |
| Levies paid to government - NRM levy                     |       | 118,658          | 109,140          |
| Community Grants   |       | 66,518           | 42,105           |
| Fuel and Oil   |       | 192,209          | 197,001          |
| Repayment of Unspent 17/18 COGS Grant                    |       | -                | 111,580          |
| Sundry   |       | 42,733           | 237,689          |
| Subtotal - Other Materials, Contracts & Expenses         |       | <b>1,980,797</b> | <b>2,026,104</b> |
|  |       | <b>2,085,626</b> | <b>2,149,988</b> |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 3 - EXPENSE con't**

|  | 2020                    | 2019                    |
|--|-------------------------|-------------------------|
| Notes  | \$                      | \$                      |
| <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b> |                         |                         |
| <b>Depreciation</b>                                |                         |                         |
| Buildings & Other Structures                       | <b>339,933</b>          | 346,553                 |
| Infrastructure Transport                           | <b>1,578,654</b>        | 1,693,725               |
| Infrastructure Stormwater                          | <b>97,838</b>           | 97,830                  |
| Infrastrucutre Common Effluent                     | <b>129,574</b>          | 128,306                 |
| Infrastrucutre Other                               | <b>36,040</b>           | 34,125                  |
| Plant, Machinery & Equipment                       | <b>368,153</b>          | 332,439                 |
| Furniture & Fittings                               | <b>12,434</b>           | 11,472                  |
| Other Assets                                       | <b>387</b>              | 388                     |
|  | <b><u>2,563,013</u></b> | <b><u>2,644,838</u></b> |
| <b>FINANCE COSTS</b>                               |                         |                         |
| Interest on Loans                                  | <b><u>97,380</u></b>    | <u>115,814</u>          |
|  | <b><u>97,380</u></b>    | <u>115,814</u>          |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS**

|   | 2020                | 2019              |
|---|---------------------|-------------------|
| Notes   | \$                  | \$                |
| <b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>          |                     |                   |
| <i><b>Assets renewed or directly replaced</b></i>               |                     |                   |
| Proceeds from disposal  | 128,340             | 202,890           |
| Less: Carrying amount of assets sold                            | 96,166              | 115,981           |
| <b>Gain (Loss) on disposal</b>                                  | <u>32,174</u>       | <u>86,909</u>     |
| <br><i><b>Assets surplus to requirements</b></i>                |                     |                   |
| Proceeds from disposal  | 116,645             | -                 |
| Less: Carrying amount of assets sold                            | 234,087             | -                 |
| <b>Gain (Loss) on disposal</b>                                  | <u>(117,442)</u>    | <u>-</u>          |
| <br><b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b> | <br><u>(85,268)</u> | <br><u>86,909</u> |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 5 - CURRENT ASSETS**

|                                      |              | 2020             | 2019             |
|--------------------------------------|--------------|------------------|------------------|
| <b>CASH &amp; EQUIVALENT ASSETS</b>  | <b>Notes</b> | <b>\$</b>        | <b>\$</b>        |
| Cash on Hand and at Bank             |              | 42,350           | 35,785           |
| Deposits at Call                     |              | 2,102,774        | 2,251,089        |
| Short Term Deposits & Bills, etc     |              | 2,750,000        | 2,000,000        |
|                                      |              | <u>4,895,124</u> | <u>4,286,874</u> |
| <b>TRADE &amp; OTHER RECEIVABLES</b> |              |                  |                  |
| Rates - General & Other              |              | 541,693          | 548,419          |
| Accrued Revenues                     |              | 4,827            | 5,070            |
| Debtors - general                    |              | 20,390           | 77,215           |
| GST Recoupment                       |              | 24,302           | 29,767           |
|                                      |              | <u>591,212</u>   | <u>660,471</u>   |
| <b>INVENTORIES</b>                   |              |                  |                  |
| Stores & Materials                   |              | 85,000           | 34,485           |
| Trading Stock                        |              | 44,395           | 34,395           |
|                                      |              | <u>129,395</u>   | <u>68,880</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**

**FINANCIAL ASSETS**

**Receivables**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Loans to community organisations | 59,000        | 59,000        |
| <b>TOTAL FINANCIAL ASSETS</b>    | <u>59,000</u> | <u>59,000</u> |



**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)**

|                                |                  | 2019              |                   |                     |                   | 2020               |                   |                     |                   |
|--------------------------------|------------------|-------------------|-------------------|---------------------|-------------------|--------------------|-------------------|---------------------|-------------------|
|                                |                  | \$'000            |                   |                     |                   | \$'000             |                   |                     |                   |
|                                | Fair Value Level | Fair Value        | Cost              | Acc' Dep'n          | Carrying Amount   | Fair Value         | Cost              | Acc' Dep'n          | Carrying Amount   |
| Land - Other                   | 2                | 445,000           | -                 | -                   | 445,000           | <b>420,000</b>     | -                 | -                   | <b>420,000</b>    |
| Land - Community               | 3                | 1,877,200         | -                 | -                   | 1,877,200         | <b>1,877,200</b>   | -                 | -                   | <b>1,877,200</b>  |
| Land Improvements              | 3                | 1,187,000         | -                 | -                   | 1,187,000         | <b>1,187,000</b>   | -                 | -                   | <b>1,187,000</b>  |
| Buildings & Other Structures   | 2                | 2,598,900         | 54,907            | (155,828)           | 2,497,979         | <b>2,598,900</b>   | <b>54,907</b>     | <b>(155,828)</b>    | <b>2,497,979</b>  |
| Buildings & Other Structures   | 3                | 17,733,500        | 1,022,784         | (11,853,211)        | 6,903,073         | <b>17,733,500</b>  | <b>2,051,349</b>  | <b>(12,180,431)</b> | <b>7,604,418</b>  |
| Infrastructure Transport       | 3                | 56,155,848        | 7,295,788         | (23,113,665)        | 40,337,971        | <b>66,345,119</b>  | -                 | <b>(19,075,642)</b> | <b>47,269,477</b> |
| Infrastructure Stormwater      | 3                | 4,490,980         | 543               | (2,235,905)         | 2,255,618         | <b>4,490,980</b>   | <b>543</b>        | <b>(2,333,743)</b>  | <b>2,157,780</b>  |
| Infrastrucutre Common Effluent | 3                | 7,670,757         | 75,922            | (4,682,863)         | 3,063,816         | <b>7,670,757</b>   | <b>240,411</b>    | <b>(4,812,437)</b>  | <b>3,098,731</b>  |
| Infrastrucutre Other           |                  | -                 | 925,112           | (330,280)           | 594,832           | -                  | <b>1,158,198</b>  | <b>(366,320)</b>    | <b>791,878</b>    |
| Plant, Machinery & Equipment   |                  | -                 | 5,348,886         | (2,046,063)         | 3,302,823         | -                  | <b>5,466,325</b>  | <b>(2,330,856)</b>  | <b>3,135,469</b>  |
| Furniture & Fittings           |                  | -                 | 305,093           | (213,752)           | 91,341            | -                  | <b>305,093</b>    | <b>(226,186)</b>    | <b>78,907</b>     |
| Other Assets                   |                  | -                 | 250,866           | (239,132)           | 11,734            | -                  | <b>250,866</b>    | <b>(239,519)</b>    | <b>11,347</b>     |
| <b>Total IPP&amp;E</b>         |                  | 92,159,185        | 15,279,901        | (44,870,699)        | 62,568,387        | <b>102,323,456</b> | <b>9,527,692</b>  | <b>(41,720,962)</b> | <b>70,130,186</b> |
| <b>Comparatives</b>            |                  | <b>92,108,485</b> | <b>12,961,989</b> | <b>(42,611,147)</b> | <b>62,459,327</b> | <b>92,159,185</b>  | <b>15,279,901</b> | <b>(44,870,699)</b> | <b>62,568,387</b> |

*This Note continues on the following pages.*

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

|                                | 2019<br>\$         | CARRYING AMOUNT MOVEMENTS DURING YEAR<br>\$ |                  |                  |                    |                  | 2020<br>\$         |
|--------------------------------|--------------------|---|------------------|------------------|--------------------|------------------|--------------------|
|                                | Carrying<br>Amount | Additions                                   |                  | Disposals        | Dep'n              | Net Reval'n      | Carrying<br>Amount |
|                                |                    | New / Upgrade                               | Renewals         |                  |                    |                  |                    |
| Land - Other                   | 445,000            | -   | -                | (25,000)         | -                  | -                | 420,000            |
| Land - Community               | 1,877,200          | -   | -                | -                | -                  | -                | 1,877,200          |
| Land Improvements              | 1,187,000          | -   | -                | -                | -                  | -                | 1,187,000          |
| Buildings & Other Structures   | 2,497,979          | -   | -                | -                | -                  | -                | 2,497,979          |
| Buildings & Other Structures   | 6,903,073          | 862,461                                     | 387,904          | (209,087)        | (339,933)          | -                | 7,604,418          |
| Infrastructure Transport       | 40,337,971         | 86,998                                      | 1,053,443        | -                | (1,578,654)        | 7,369,719        | 47,269,477         |
| Infrastructure Stormwater      | 2,255,618          | -   | -                | -                | (97,838)           | -                | 2,157,780          |
| Infrastrucutre Common Effluent | 3,063,816          | -   | 164,489          | -                | (129,574)          | -                | 3,098,731          |
| Infrastrucutre Other           | 594,832            | 233,086                                     | -                | -                | (36,040)           | -                | 791,878            |
| Plant, Machinery & Equipment   | 3,302,823          | -   | 296,965          | (96,166)         | (368,153)          | -                | 3,135,469          |
| Furniture & Fittings           | 91,341             | -   | -                | -                | (12,434)           | -                | 78,907             |
| Other Assets                   | 11,734             | -   | -                | -                | (387)              | -                | 11,347             |
| <b>Total IPP&amp;E</b>         | <b>62,568,387</b>  | <b>1,182,545</b>                            | <b>1,902,801</b> | <b>(330,253)</b> | <b>(2,563,013)</b> | <b>7,369,719</b> | <b>70,130,186</b>  |
| <b>Comparatives</b>            | <b>62,459,327</b>  | <b>1,156,821</b>                            | <b>1,688,827</b> | <b>(115,981)</b> | <b>(2,644,838)</b> | <b>24,231</b>    | <b>62,568,387</b>  |

*This note continues on the following pages.*

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**Valuation of Assets**

**General Valuation Principles**

**Accounting procedure:** 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, fair value is taken to be the current replacement cost.

**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.

**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 these assets and they 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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2020**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**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 Equip       | 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               | 18 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  |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2020**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**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, originally deriving from a valuation at 1 July 2016 by Christopher Chaney of Asset Valuation and Consulting. Additions are recognised at cost.

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 2016 by Christopher Chaney of Asset Valuation and Consulting.

Category 3 Land was revalued as at 30 June 2018 by the Valuer Generals Department.

**Buildings & Other Structures**

Buildings and other structures were revalued as at 1 July 2016 by Christopher Chaney of Asset Valuation and Consulting.

**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.

As a result of the Valuation it was determined that both roads, footways and kerb and channel were in better condition than originally valued resulting in a decrease in the depreciation expense of \$224,000. As the roads would have been in the same condition as at 1 July 2019 the depreciation adjustment has been made in the current financial statements.

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.

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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 8 - LIABILITIES**

|  |              | 2020             |                    | 2019           |                    |
|--|--------------|------------------|--------------------|----------------|--------------------|
|  |              | \$               |                    | \$             |                    |
| <b>TRADE &amp; OTHER PAYABLES</b>        | <b>Notes</b> | <b>Current</b>   | <b>Non-current</b> | <b>Current</b> | <b>Non-current</b> |
| Goods & Services                         |              | 402,781          | -                  | 68,841         | -                  |
| Payments received in advance             |              | 500,000          | -                  | -              | -                  |
| Accrued expenses - employee entitlements |              | 123,875          | -                  | 114,226        | -                  |
| Accrued expenses - other                 |              | 30,079           | -                  | 72,398         | -                  |
| Deposits, Retentions & Bonds             |              | 5,000            | -                  | -              | -                  |
|  |              | <b>1,061,735</b> | <b>-</b>           | <b>255,465</b> | <b>-</b>           |

*Payments Received in Advance represents Drought Funding received by Council. In Accordance with AASB1058 amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. Council had no Grants that fitted the criteria in 2019 and as such the financial statements have not been adjusted.*

**BORROWINGS**

|       |                |                |         |           |
|-------|----------------|----------------|---------|-----------|
| Loans | <b>255,067</b> | <b>877,009</b> | 270,838 | 1,132,076 |
|       | <b>255,067</b> | <b>877,009</b> | 270,838 | 1,132,076 |

**PROVISIONS**

|  |                |               |         |        |
|--|----------------|---------------|---------|--------|
| Annual Leave (including oncosts)       | <b>367,407</b> | -             | 347,994 | -      |
| Long Service Leave (including oncosts) | <b>348,152</b> | <b>15,958</b> | 338,617 | 12,212 |
|  | <b>715,559</b> | <b>15,958</b> | 686,611 | 12,212 |



**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 9 - RESERVES**

| <b>ASSET REVALUATION RESERVE</b> | 1/7/2019          | Net<br>Increments/<br>(Decrements) | Transfers,<br>Impairments | 30/6/2020         |
|----------------------------------|-------------------|------------------------------------|---------------------------|-------------------|
| <b>Notes</b>                     | <b>\$</b>         | <b>\$</b>                          | <b>\$</b>                 | <b>\$</b>         |
| Land                             | 2,123,795         | -                                  | -                         | <b>2,123,795</b>  |
| Building & Other Structures      | 8,150,938         | -                                  | -                         | <b>8,150,938</b>  |
| Infrastructure Transport         | 39,177,402        | 7,369,719                          | -                         | <b>46,547,121</b> |
| Infrastructure CWMS              | 769,649           | -                                  | -                         | <b>769,649</b>    |
| Infrastructure Stormwater        | 24,231            | -                                  | -                         | <b>24,231</b>     |
| <b>TOTAL</b>                     | <b>50,246,015</b> | <b>7,369,719</b>                   | <b>-</b>                  | <b>57,615,734</b> |
| <b>Comparatives</b>              | <b>50,221,784</b> | <b>24,231</b>                      | <b>-</b>                  | <b>50,246,015</b> |

| <b>OTHER RESERVES</b>        | 1/7/2019       | Transfers to<br>Reserve | Transfers<br>from Reserve | 30/6/2020      |
|------------------------------|----------------|-------------------------|---------------------------|----------------|
| Long Service Leave           | 275,000        | -                       | -                         | <b>275,000</b> |
| Reserve - CWMS               | 541,111        | 421,658                 | (245,017)                 | <b>717,752</b> |
| Reserve - Childcare Services | 183,651        | 1,391                   | (185,042)                 | <b>-</b>       |
| <b>TOTAL OTHER RESERVES</b>  | <b>999,762</b> | <b>423,049</b>          | <b>(430,059)</b>          | <b>992,752</b> |
| <b>Comparatives</b>          | <b>566,878</b> | <b>541,111</b>          | <b>(108,227)</b>          | <b>999,762</b> |

**PURPOSES OF RESERVES**

**Asset Revaluation Reserve**

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**

**Long Service Leave**

Is for future cash requirements of staff leaving

**CWMS (Community Waste Water Management Scheme)**

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

**Childcare Service**

Was for the construction of the new Childcare Centres

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 10 - ASSETS SUBJECT TO RESTRICTIONS**

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.

| <b>CASH &amp; FINANCIAL ASSETS</b>                  | <b>Notes</b> | <b>2020<br/>\$</b> | <b>2019<br/>\$</b> |
|---|--------------|--------------------|--------------------|
| Unexpended amounts received from Federal Government |              |                    |                    |
| Federal Drought Funding                             |              | <b>500,000</b>     | -                  |
| Mallee Childcare Service                            |              | -                  | 183,651            |
|   |              | <b>500,000</b>     | <b>183,651</b>     |

**Note 11 - 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:

|                                  |   |                  |           |
|----------------------------------|---|------------------|-----------|
| Total cash & equivalent assets   | 5 | <b>4,895,124</b> | 4,286,874 |
| Balances per Cash Flow Statement |   | <b>4,895,124</b> | 4,286,874 |

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

|   |                  |                  |
|---|------------------|------------------|
| Net Surplus (Deficit)   | <b>223,460</b>   | 1,473,610        |
| Non-cash items in Income Statement                            |                  |                  |
| Depreciation, amortisation & impairment                       | <b>2,563,013</b> | 2,644,838        |
| Net increase (decrease) in unpaid employee benefits           | <b>32,694</b>    | 76,636           |
| Grants for capital acquisitions treated as Investing Activity | <b>(100,000)</b> | (925,000)        |
| Net (Gain) Loss on Disposals                                  | <b>85,268</b>    | (86,909)         |
|   | <b>2,804,435</b> | 3,183,175        |
| Add (Less): Changes in Net Current Assets                     |                  |                  |
| Net (increase) decrease in receivables                        | <b>69,259</b>    | (107,284)        |
| Net (increase) decrease in inventories                        | <b>(60,515)</b>  | 20,091           |
| Net increase (decrease) in trade & other payables             | <b>806,270</b>   | (146,701)        |
| <b>Net Cash provided by (or used in) operations</b>           | <b>3,619,449</b> | <b>2,949,281</b> |

**(c) Financing Arrangements**

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

|                                      |                  |           |
|--------------------------------------|------------------|-----------|
| Corporate Credit Cards               | <b>16,000</b>    | 16,000    |
| LGFA Cash Advance Debenture facility | <b>1,500,000</b> | 1,500,000 |

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 12 - FUNCTIONS**

**INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES**

|   | INCOME           |           | EXPENSES         |           | OPERATING SURPLUS<br>(DEFICIT) |             | GRANTS INCLUDED IN<br>INCOME |           | TOTAL ASSETS HELD<br>(CURRENT &<br>NON-CURRENT) |            |
|---|------------------|-----------|------------------|-----------|--------------------------------|-------------|------------------------------|-----------|---|------------|
|   | ACTUAL           | ACTUAL    | ACTUAL           | ACTUAL    | ACTUAL                         | ACTUAL      | 2020                         | 2019      | 2020  | 2019       |
|   | 2020             | 2019      | 2020             | 2019      | 2020                           | 2019        |                              |           |   |            |
|   | \$               | \$        | \$               | \$        | \$                             | \$          | \$                           | \$        | \$  | \$         |
| <b>Dog and Fire Prevention</b>                    | <b>19,798</b>    | 17,660    | <b>70,023</b>    | 46,435    | <b>(50,225)</b>                | (28,775)    | -                            | -         | -   | -          |
| <b>Health Services</b>                            | <b>12,163</b>    | 4,749     | <b>28,942</b>    | 36,893    | <b>(16,779)</b>                | (32,144)    | <b>1,253</b>                 | 1,727     | -   | -          |
| <b>Welfare &amp; Childrens Services</b>           | <b>765,509</b>   | 721,908   | <b>746,202</b>   | 742,940   | <b>19,307</b>                  | (21,032)    | <b>213,214</b>               | 288,799   | -   | -          |
| <b>Housing and Community Amenities</b>            | <b>840,542</b>   | 826,583   | <b>924,997</b>   | 895,656   | <b>(84,455)</b>                | (69,073)    | <b>1,777</b>                 | -         | 5,503,685                                       | 5,653,837  |
| <b>Sport &amp; Recreation</b>                     | <b>69,167</b>    | 105,827   | <b>966,075</b>   | 939,440   | <b>(896,908)</b>               | (833,613)   | <b>1,113</b>                 | 956       | 1,237,287                                       | 2,134,195  |
| <b>Development Services &amp; Gravel Pits</b>     | -                | 15,414    | <b>252,541</b>   | 205,933   | <b>(252,541)</b>               | (190,519)   | -                            | -         | -   | -          |
| <b>Road &amp; Aerodrome</b>                       | <b>1,107,222</b> | 1,240,168 | <b>2,547,390</b> | 2,524,258 | <b>(1,440,168)</b>             | (1,284,090) | <b>1,050,761</b>             | 1,240,010 | 46,959,129                                      | 40,787,808 |
| <b>Economic Affairs</b>                           | <b>104,606</b>   | 102,315   | <b>212,526</b>   | 185,128   | <b>(107,920)</b>               | (82,813)    | -                            | -         | -   | 1,373      |
| <b>Finance, Plant, Depot &amp; Other Purposes</b> | <b>120,869</b>   | 144,123   | <b>312,467</b>   | 361,436   | <b>(191,598)</b>               | (217,313)   | -                            | -         | 7,256,756                                       | 7,448,354  |
| <b>Governance</b>                                 | -                | -         | <b>596,186</b>   | 576,128   | <b>(596,186)</b>               | (576,128)   | -                            | -         | -   | -          |
| <b>Administration &amp; Support Services</b>      | <b>1,030</b>     | 51,346    | <b>924,221</b>   | 919,648   | <b>(923,191)</b>               | (868,302)   | -                            | -         | -   | -          |
| <b>Rate &amp; Grant Revenue</b>                   | <b>4,868,050</b> | 4,774,643 | <b>118,658</b>   | 109,140   | <b>4,749,392</b>               | 4,665,503   | <b>1,140,070</b>             | 1,116,491 | 14,848,060                                      | 11,618,045 |
| <b>TOTALS</b>                                     | <b>7,908,956</b> | 8,004,736 | <b>7,700,228</b> | 7,543,035 | <b>208,728</b>                 | 461,701     | <b>2,408,188</b>             | 2,647,983 | <b>75,804,917</b>                               | 67,643,612 |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 12 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**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.

**Agricultural Services**

Agricultural Services, Agricultural Water and Other Agricultural Services.

**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.

**Unclassified Activities**

Items not elsewhere included.

**Rate and Grant Revenue**

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

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 13 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

|   |  |
|---|--|
| <b>Bank, Deposits at Call, Short Term Deposits</b>  | <p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0.4% and 1.25% (2019: 1.25% and 1.8%). Short term deposits have an average maturity of 90 days and an average interest rates of 1.1% (2018: 90 days, 1.8%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>  |
| <b>Receivables - Rates &amp; Associated Charges</b> | <p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.55% (2019: 0.55%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p> |
| <b>Receivables - Fees &amp; other charges</b>       | <p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>  |
| <b>Receivables - other levels of government</b>     | <p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value.</p>                       |
| <b>Liabilities - Creditors and Accruals</b>         | <p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>  |
| <b>Liabilities - Interest Bearing Borrowings</b>    | <p><b>Accounting Policy:</b> initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.63% and 7.92% (2019: 5.63% and 7.92%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>   |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 13 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

| <b>2020</b>                         | Due < 1 year     | Due > 1 year<br>≤ 5 years | Due > 5<br>years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|-------------------------------------|------------------|---------------------------|------------------|------------------------------------|--------------------|
| <b><u>Financial Assets</u></b>      | \$               | \$                        | \$               | \$                                 | \$                 |
| Cash & Equivalents                  | 4,895,124        | -                         | -                | 4,895,124                          | 4,895,124          |
| Receivables                         | 591,212          | -                         | 59,000           | 650,212                            | 650,212            |
| <b>Total</b>                        | <b>5,486,336</b> | <b>-</b>                  | <b>59,000</b>    | <b>5,545,336</b>                   | <b>5,545,336</b>   |
| <b><u>Financial Liabilities</u></b> |                  |                           |                  |                                    |                    |
| Payables                            | 907,781          | -                         | -                | 907,781                            | 907,781            |
| Current Borrowings                  | 326,934          | -                         | -                | 326,934                            | 255,067            |
| Non-Current Borrowings              | -                | 995,094                   | -                | 995,094                            | 877,009            |
| <b>Total</b>                        | <b>1,234,715</b> | <b>995,094</b>            | <b>-</b>         | <b>2,229,809</b>                   | <b>2,039,857</b>   |

| <b>2019</b>                         | Due < 1 year     | Due > 1 year;<br>≤ 5 years | Due > 5<br>years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|-------------------------------------|------------------|----------------------------|------------------|------------------------------------|--------------------|
| <b><u>Financial Assets</u></b>      | \$               | \$                         | \$               | \$                                 | \$                 |
| Cash & Equivalents                  | 4,286,874        | -                          | -                | 4,286,874                          | 4,286,874          |
| Receivables                         | 660,471          | -                          | 59,000           | 719,471                            | 719,471            |
| <b>Total</b>                        | <b>4,947,345</b> | <b>-</b>                   | <b>59,000</b>    | <b>5,006,345</b>                   | <b>5,006,345</b>   |
| <b><u>Financial Liabilities</u></b> |                  |                            |                  |                                    |                    |
| Payables                            | 68,841           | -                          | -                | 262,811                            | 262,811            |
| Current Borrowings                  | 388,477          | -                          | -                | 388,477                            | 279,978            |
| Non-Current Borrowings              | -                | 1,296,743                  | 385,943          | 1,682,686                          | 1,402,915          |
| <b>Total</b>                        | <b>457,318</b>   | <b>1,296,743</b>           | <b>385,943</b>   | <b>2,333,974</b>                   | <b>1,945,704</b>   |

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

|                      | <b>30 June 2020</b>                  |                   | <b>30 June 2019</b>                  |                   |
|----------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
|                      | Weighted<br>Average<br>Interest Rate | Carrying<br>Value | Weighted<br>Average<br>Interest Rate | Carrying<br>Value |
|                      | %                                    | \$                | %                                    | \$                |
| Fixed Interest Rates | 6.85                                 | 1,132,076         | 6.79%                                | 1,402,915         |
|                      |                                      | <u>1,132,076</u>  |                                      | <u>1,402,915</u>  |



**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 13 - 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 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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 14 - COMMITMENTS FOR EXPENDITURE**

|   | 2020             | 2019           |
|---|------------------|----------------|
| Notes   | \$               | \$             |
| <b>Other Expenditure Commitments</b>  |                  |                |
| Other non-capital expenditure commitments in relation to investment properties: |                  |                |
| Audit Contract  | 16,925           | 30,050         |
| Cleaning Contract   | 26,589           | 73,586         |
| Employee Contracts  | 1,038,500        | 350,120        |
| Preparation of Landscape Architectural Services                                 | 32,978           | -              |
| Preparation of Detailed design Documentation                                    | 19,034           | -              |
| Pinnaroo CWMS Gravity Drain Renewal Works                                       | 418,885          | -              |
|   | <b>1,552,911</b> | <b>453,756</b> |
| These expenditures are payable:   |                  |                |
| Not later than one year   | 946,411          | 233,508        |
| Later than one year and not later than 5 years                                  | 606,500          | 220,248        |
|   | <b>1,552,911</b> | <b>453,756</b> |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 15 - FINANCIAL INDICATORS**

|                                | 2020 | 2019 | 2018 |
|--------------------------------|------|------|------|
| <b>Operating Surplus Ratio</b> |      |      |      |
| <u>Operating Surplus</u>       | 2.6% | 5.8% | 8.3% |
| Total Operating Income         |      |      |      |

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

**Net Financial Liabilities Ratio**

|                                  |        |        |        |
|----------------------------------|--------|--------|--------|
| <u>Net Financial Liabilities</u> | -33.1% | -33.1% | -16.0% |
| Total Operating Income           |        |        |        |

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

***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 between years.

|  |      |      |      |
|--|------|------|------|
| <b><i>Adjusted Operating Surplus Ratio</i></b>         | 2.0% | 6.0% | 7.8% |
| <b><i>Adjusted Net Financial Liabilities Ratio</i></b> | -23% | -23% | -27% |

**Asset Renewal Funding Ratio**

|                                       |     |     |     |
|---------------------------------------|-----|-----|-----|
| <u>Net Outlays on Existing Assets</u> | 66% | 76% | 32% |
| Net Asset Renewals - IAMP             |     |     |     |

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 16 - UNIFORM PRESENTATION OF FINANCES**

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

|   | 2020               | 2019               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| Income  | 7,908,956          | 8,004,736          |
| Expenses  | <u>(7,700,228)</u> | <u>(7,543,035)</u> |
| <b>Operating Surplus / (Deficit)</b>  | <b>208,728</b>     | <b>461,701</b>     |
| <br><b>Net Outlays on Existing Assets</b>   |                    |                    |
| Capital Expenditure on renewal and replacement of Existing Assets   | (1,902,801)        | (1,688,827)        |
| Add back Depreciation, Amortisation and Impairment  | 2,563,013          | 2,644,838          |
| Proceeds from Sale of Replaced Assets   | <u>128,340</u>     | <u>202,890</u>     |
|   | <b>788,552</b>     | <b>1,158,901</b>   |
| <br><b>Net Outlays on New and Upgraded Assets</b>   |                    |                    |
| Capital Expenditure on New and Upgraded Assets<br><i>(including investment property &amp; real estate developments)</i> | (1,182,545)        | (1,156,821)        |
| Amounts received specifically for New and Upgraded Assets   | 100,000            | 925,000            |
| Proceeds from Sale of Surplus Assets<br><i>(including investment property and real estate developments)</i>             | <u>116,645</u>     | <u>-</u>           |
|   | <b>(965,900)</b>   | <b>(231,821)</b>   |
| <b>Net Lending / (Borrowing) for Financial Year</b>   | <b>31,380</b>      | <b>1,388,781</b>   |

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**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 (9.50% in 2018-19; 9.50% in 2019-20). 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 2018-19) 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.

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 119.32(b), 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 2020. 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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 18 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**1. LAND UNDER ROADS**

As reported elsewhere in these 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 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.

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 a deductible "insurance excess", 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.

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 19 - RELATED PARTY DISCLOSURES**

**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, 11 persons were paid the following total compensation:

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| Salaries, allowances & other short term benefits | 558,511        | 476,093        |
| <b>TOTAL</b>                                     | <b>558,511</b> | <b>476,093</b> |

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

|   | <b>2020</b>  | <b>2019</b>  |
|---|--------------|--------------|
|   | <b>\$</b>    | <b>\$</b>    |
| Planning and building applications fees | 3,077        | 1,210        |
| <b>TOTAL</b>                            | <b>3,077</b> | <b>1,210</b> |

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

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 \$33,000 during the year.

Key management personnel or close family members (including related parties) lodged a total of five 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 Personnell 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 Hall Committee.

One Key Management Personnell 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 Personnell 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 Personnell is a member of Border Bobs & Families. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Boarder Bobs & Families.



**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 19 - RELATED PARTY DISCLOSURES Cont.**

One Key Management Personnell 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.

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

One Key Management Personnell is a member of the Parilla Community Group. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Parilla Community Group. During the year the Parilla Community Group received \$6,000.

One Key Management Personnell 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 Personnell is a member of the Pinnaroo Lions Club. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Pinnaroo Lions Club. During the year the Pinnaroo Lions Club received \$2,500.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT****To the members of the Southern Mallee District Council****Opinion**

We have audited the accompanying financial report of the Southern Mallee District Council (the Council), which comprises the, the Statement of Financial Position as at 30 June 2020, Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificates.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2020, 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 Council 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.

**Council's Responsibility for the Financial Report**

The 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*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Council's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Council'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 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 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of the 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.

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**



**JIM KEOGH**  
**PARTNER**

Signed on the 27<sup>th</sup> day of November 2020,  
at 214 Melbourne Street, North Adelaide

**INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE SOUTHERN MALLEE DISTRICT COUNCIL****Opinion**

In our opinion, the Southern Mallee District Council (Council) has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls established by the Council relating 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 2019 to 30 June 2020.

**Basis for opinion**

We have audited the Internal Controls of the Council under the requirements of *Section 129(1)(b) 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 2019 to 30 June 2020 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

**The Council's Responsibility for the 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, the 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 applying Auditing Standard *ASQC 1 Quality Control for Firms that Perform Audits and Review of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking the assurance engagement.

**Assurance Practitioner's Responsibilities**

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) 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, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedure to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period.

An assurance engagement to report on the designed and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

#### **Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) 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.

#### **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 operating effectiveness of 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.

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'J. Keogh', with a stylized flourish at the end.

**JIM KEOGH  
PARTNER**

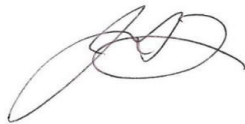
Signed on the 27<sup>th</sup> day of November 2020  
at 214 Melbourne Street, North Adelaide, South Australia, 5006

**SOUTHERN MALLEE DISTRICT COUNCIL**  
**Annual Financial Statements**  
**for the year ended 30 June 2020**

**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 2020, the Council's Auditor, Dean Newbery and 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*.



Jason Taylor  
**CHIEF EXECUTIVE OFFICER**



Ross Haslam  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Date: 28/10/2020

## **Certification of Auditor's Independence**

I confirm that, for the audit of the financial statements of the Southern Mallee District Council for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, 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*.



**JIM KEOGH**

**Partner**

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**

**Dated this 27<sup>th</sup> day of November 2020**





Murraylands and Riverland  
Local Government Association

# Annual Report

2019/20



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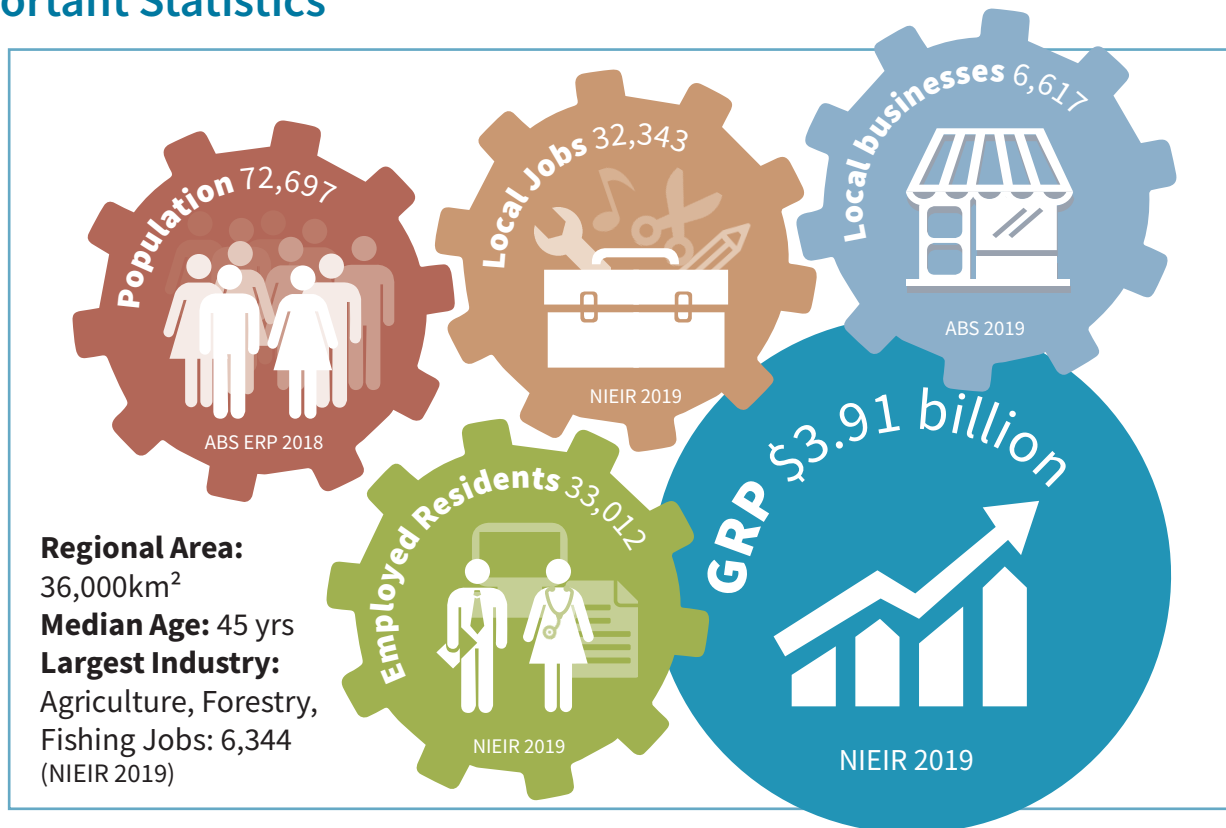
## Constituent Councils



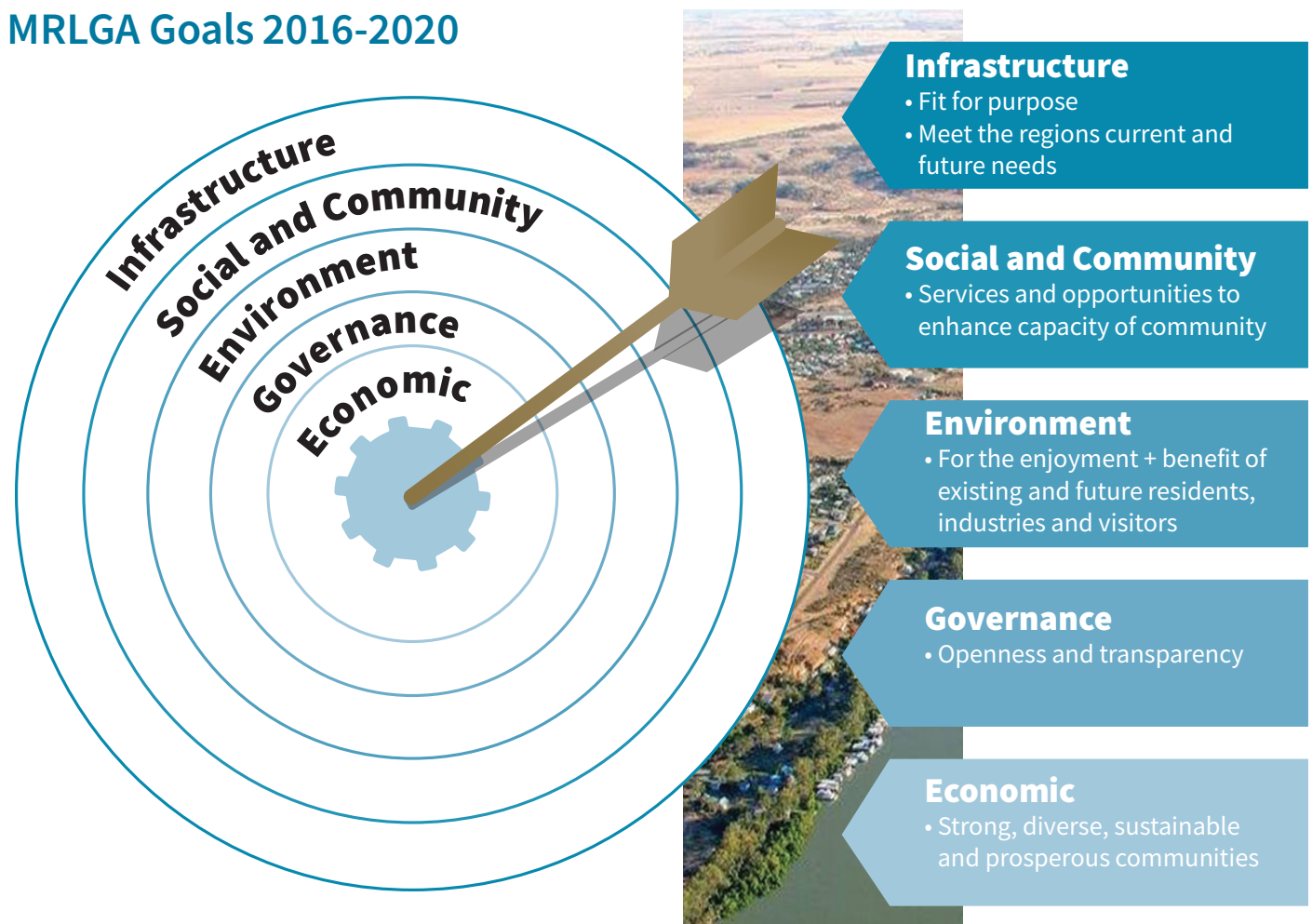
MRLGA is a Section 43 regional subsidiary established under the *Local Government Act 1999*.

# About the Region

## Important Statistics



## MRLGA Goals 2016-2020



# President's Report



**Mayor  
Peter Hunt**

**I am pleased to present my President's Report for 2019-2020. The report highlights the Murraylands and Riverland Local Government Association's (MRLGA) key achievements of the year.**

The last twelve months have been about renewed focus and purpose. We welcomed a new Chief Executive Officer in June 2019, endorsed a new iteration of the Charter in October 2019, held a Strategic Planning Forum in February 2020, convened Public Health Workshops in early March 2020 and sought feedback on our draft Strategic Documents in June 2020.

In addition to our efforts to prepare for the future, we have continued to pursue the implementation of our existing plans. The 2030 Regional Transport Plan is one such example where the fruits of the collaboration across member councils can be readily seen.

**The region was again successful in receiving \$2.6 million in funding from the Special Local Roads Program.**

This funding is important to the region as it affords constituent councils extra opportunity to maintain and upgrade regionally significant local roads.

The Regional Transport and Assets Committee, under the guidance of Mayor Neil Martinson, has broadened its focus to consider other opportunities to promote partnerships in the way we manage the considerable road network that traverses our region.

The progress of the Regional Road Hierarchy Plan and the High Risk Intersection projects will provide platforms that help promote the role that Local Government plays in managing these significant assets on behalf of our industries and communities and in

the interest of the State. Where the benefits of maintaining infrastructure extend beyond our borders, there is a strong argument to continue to advocate for support from other tiers of government.

The High Risk Intersection project, with cost estimates and concept designs of 41 very high to high risk intersections can be found at: [https://www.lga.sa.gov.au/\\_\\_data/assets/pdf\\_file/0026/694322/High-Risk-Intersection-Cost-Estimates-and-Concept-Designs.pdf](https://www.lga.sa.gov.au/__data/assets/pdf_file/0026/694322/High-Risk-Intersection-Cost-Estimates-and-Concept-Designs.pdf)

The project was presented to Hon Tim Whetstone on 29 May 2020 and was forwarded to the Hon Stephan Knoll MP, then Minister for Transport, Infrastructure and Local Government on 29 June 2020. Consultations have followed with the Department of Planning, Transport and Infrastructure (now the Department of Infrastructure and Transport) regarding proposed upgrades to Rural Highway Corridors. With a total cost estimate of \$11.37 million, the High-risk intersection project represents a small portion of the total proposed spend on regional road upgrades across South Australia but represents a significant safety proposition for all road users.

As the State Government responds to the needs of industry and permits many of the arterial roads for 36.5m heavy vehicle usage, it is beholden upon them to think about the safety implications related to intersections where B-Double configurations will interact with even larger vehicles. B-Doubles turning onto, or off of, the arterial roads should be able to do so within the allocated lanes and without sight impediments.

With the raising of the State Government's solid waste levy, there is increasing pressure on councils to manage the rising cost of waste management services in the region. MRLGA had hoped to be further advanced in the development of a Regional Waste Strategy but an adjusted





approach has enabled the Association to be awarded \$35,000 of funding from Green Industries SA. The additional funding allows the scope of the project to be broadened and for robust investigation to inform the development of strategy and the framework for implementation.

The focus on waste management has also allowed MRLGA to forge a stronger relationship with Regional Development Australia Murraylands and Riverland. I look forward to seeing the development of a partnership that focuses on the establishment of a strong evidence base for change. In the instance of waste management, it makes sense to work together to better understand what is in our waste, the opportunity to divert some of that waste from landfill and find business development opportunities in the circular economy. Throughout our strategic planning process there has been a growing sense of the importance of resilient communities and the influence of wellbeing in making our region an attractive, liveable and prosperous place. As we now come to terms with the impact of the COVID-19 pandemic; the reliance we have on one another, our networks, and our need to engage positively as part of a community cannot be understated.

The Regional Public Health and Wellbeing Committee has been working hard behind the scenes to oversee the compilation of regional public health data, while participating in public health workshops and lending their considerable experience and capability to the updating of the Regional Public Health Plan. The process has not only focused on the big issues and the individual roles each council must play but has started to build a platform for future collaboration.

That being said, I would encourage councils to think about the next iteration of the Regional Public Health and Wellbeing Committee, their representatives and the skill

set required to transition to a Community Wellbeing Alliance.

In a similar fashion, the three Riverland Councils, under the auspices of MRLGA, have been able to progress the Riverland Social Indicators report. The data provides compelling reason for change; the issues are not new and local government doesn't want to take on board extra responsibility, but real leadership is needed. A committed and connected approach is required. Leadership doesn't mean we'll do it all, but it does say that we need to work on this together.

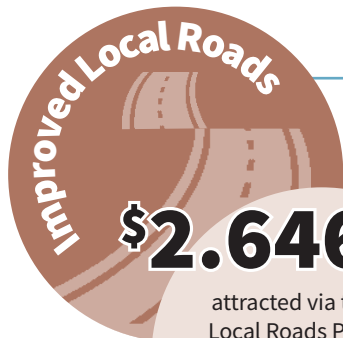
**Central to the success of any combined effort is reflection on, and the establishment of, governance models.**

MRLGA provides a conduit for the local government sector within the region to get organised and in doing so it allows us to engage more broadly on local government matters across the state and country. On that note, it has been pleasing to see the Association engage in important matters such as local government reform, planning and design code implementation, migration and water policy. The support we receive through the Local Government Association for advocacy related matters and their willingness to work collaboratively with the regional associations is to be commended.

In closing, I sincerely thank all constituent Councils and MRLGA Board Delegates for the opportunity afforded to me in being your President. I also wish to thank our CEO, Tim Smythe for his commitment to the Association in the last 12 months.

As we embark on a new phase in the life of MRLGA, I look forward knowing that change will come our way and with confidence that we step out having built a solid platform from which to launch.

# Key Outcomes

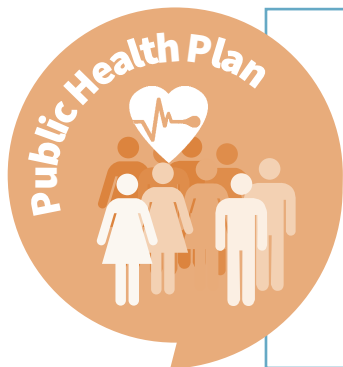


**\$2.646mil**

attracted via the Special Local Roads Program and Supplementary Local Roads Program for improved freight and tourism connectivity within the region and surrounds.

Development of the High-Risk Intersection project to a stage where concept designs and cost estimates, to reduce the risk involved between B-double and Road Train interaction, have been forwarded to the state government for consideration.

Regional Road Hierarchy has been progressed using adapted Austroad definitions to categorise roads according to purpose and in accordance with the asset management constraints of local government.



Draft Regional Public Health Plan has been progressed to a stage where the role and activities of Local Government in the sphere of public health have been captured. In addition, a commitment to further develop a collaborative environment to share information, better define the key issues impacting wellbeing and improve service delivery have been developed through the draft governance and resourcing arrangement designed to underpin implementation.



A new strategic plan with concise vision and mission were developed.

A new Charter that:

- formalised the use of the trading name of Murraylands and Riverland Local Government Association
- specified membership as the principal member of each council, with up to two deputy delegates
- recognised the CEO Network as a committee with a strategic advisory capacity to the Board.



# MRLGA Board and Committees

## Board Member

*As of November 2019*

|  |                                       |
|--|---------------------------------------|
| Mayor Peter Hunt ( <i>President</i> )          | Berri Barmera Council                 |
| Mayor Paul Simmons                             | Coorong District Council              |
| Mayor Caroline Phillips                        | District Council Karoonda East Murray |
| Mayor Leon Stasinowsky                         | District Council Loxton Waikerie      |
| Mayor Dave Burgess ( <i>Deputy President</i> ) | Mid Murray Council                    |
| Mayor Neil Martinson                           | Renmark Paringa Council               |
| Mayor Brenton Lewis                            | Rural City of Murray Bridge           |
| Mayor Andrew Grieger                           | Southern Mallee District Council      |

## Deputy Delegates

*As of November 2019*

|  |                                       |
|--|---------------------------------------|
| Cr Rhonda Centofanti                     | Berri Barmera Council                 |
| Cr Ella Winnall ( <i>Deputy Mayor</i> )  | Berri Barmera Council                 |
| Cr Jeff Arthor ( <i>Deputy Mayor</i> )   | Coorong District Council              |
| Cr Sharon Bland                          | Coorong District Council              |
| Cr Yvonne Smith ( <i>Deputy Mayor</i> )  | District Council Karoonda East Murray |
| Cr Trevor Norton ( <i>Deputy Mayor</i> ) | District Council Loxton Waikerie      |
| Cr Kevin Myers ( <i>Deputy Mayor</i> )   | Mid Murray Council                    |
| Cr Peter Hunter ( <i>Deputy Mayor</i> )  | Renmark Paringa Council               |
| Cr Wayne Thorley ( <i>Deputy Mayor</i> ) | Rural City of Murray Bridge           |
| Cr Paul Ireland ( <i>Deputy Mayor</i> )  | Southern Mallee District Council      |

## CEO Network

*As of April 2020*

|                 |                                       |
|-----------------|---------------------------------------|
| Karyn Burton    | Berri Barmera Council                 |
| Bridget Mather  | Coorong District Council              |
| Matthew Morgan  | District Council Karoonda East Murray |
| David Beaton    | District Council Loxton Waikerie      |
| Ben Scales      | Mid Murray Council                    |
| Tony Siviour    | Renmark Paringa Council               |
| Michael Sedgman | Rural City of Murray Bridge           |
| Jason Taylor    | Southern Mallee District Council      |

# MRLGA Committees

## MRLGA Regional Transport & Assets Committee

*As of June 2019*

Mayor Neil Martinson Chair

Mayor Peter Hunt (*ex officio*)

Mayor Paul Simmons

|                         |                                       |
|-------------------------|---------------------------------------|
| Harry Du                | Berri Barmera Council                 |
| Dave Degraney           | Berri Barmera Council                 |
| David Mosel             | Coorong District Council              |
| Jarrold Manuel          | District Council Karoonda East Murray |
| Greg Perry              | District Council Loxton Waikerie      |
| Dom Perre (proxy)       | District Council Loxton Waikerie      |
| David Hassett           | Mid Murray Council                    |
| Russell Pilbeam (proxy) | Mid Murray Council                    |
| Tim Tol                 | Renmark Paringa Council               |
| Geoff Meaney (proxy)    | Renmark Paringa Council               |
| Heather Barclay         | Rural City of Murray Bridge           |
| Matt James (proxy)      | Rural City of Murray Bridge           |
| Mathew Sherman          | Southern Mallee District Council      |

## MRLGA Regional Public Health & Wellbeing Committee

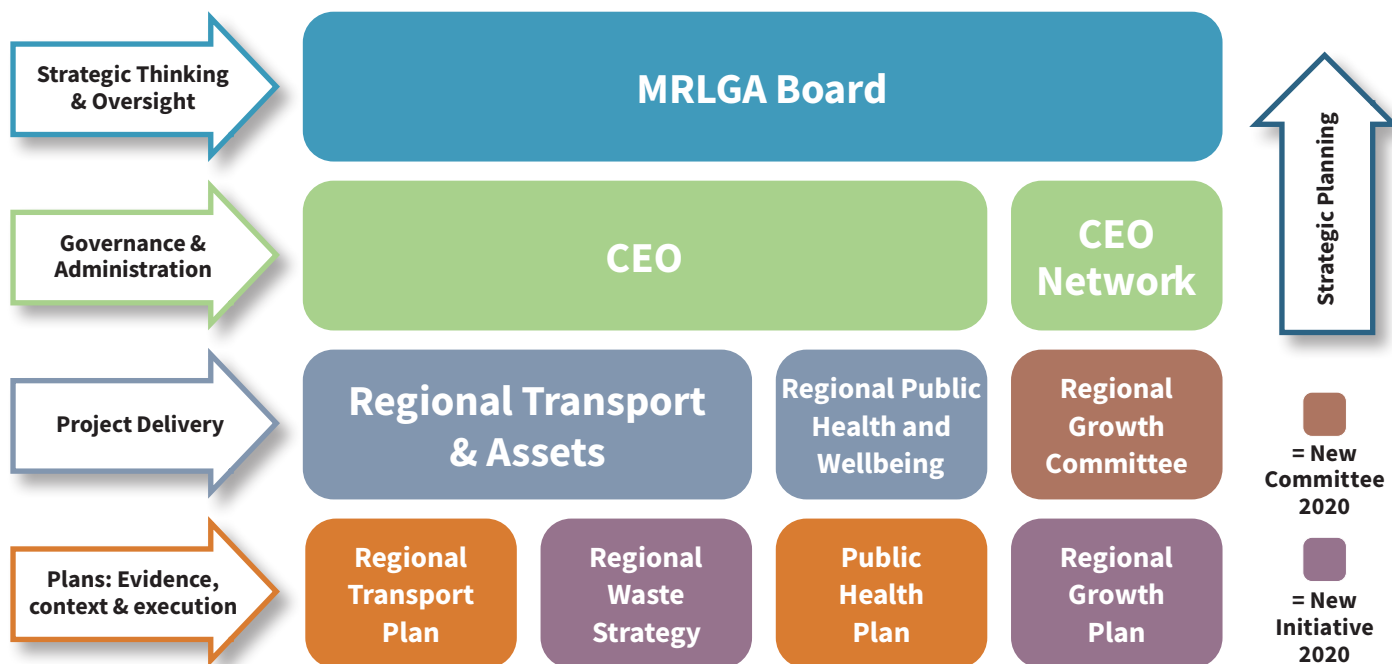
*Current 30 June 2020*

Mayor Peter Hunt (*ex officio*)

|                 |                                  |
|-----------------|----------------------------------|
| Rebecca Burton  | Berri Barmera Council            |
| Andrew Haigh    | Berri Barmera Council            |
| Myles Sommers   | Coorong District Council         |
| Cr Sharon Bland | Coorong District Council         |
| Cheryl Pedler   | District Council Loxton Waikerie |
| Thomas McKellar | Mid Murray Council               |
| Kristy Morgan   | Mid Murray Council               |
| Julie Savill    | Mid Murray Council               |
| Karen Wetherall | Renmark Paringa Council          |
| Dara Frankel    | Renmark Paringa Council          |
| Jeremy Byrnes   | Rural City of Murray Bridge      |
| Reg Budarick    | Rural City of Murray Bridge      |
| Geoff Parsons   | Rural City of Murray Bridge      |
| Caroline Thomas | Rural City of Murray Bridge      |
| Shilo Wyatt     | Southern Mallee District Council |



# MRLGA Structure



## MRLGA Activities

### MRLGA Board:

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

1. Wednesday, 10 July 2019
2. Friday, 10 October 2019
3. Friday, 31 January 2020
4. Friday, 8 May 2020

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

- Endorsed a new Charter
- Formalised the change of name of the Association to Murraylands and Riverland LGA via the registration of a business name with ASIC
- Presided over a strategic review including the running of a strategic planning forum on 24 February 2020. A new 2020-25 Strategic Plan was endorsed on 10 July 2020.

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

- LGA SA administration
- SAROC
- Office of Local Government
- Regional Development Murraylands and Riverland
- PIRSA
- Members of Parliament

### CEO Network

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

1. Monday, 22 July 2019
2. Monday, 16 September 2019
3. Monday, 18 November 2019
4. Monday, 6 April 2020
5. Monday, 15 June 2020

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

- Co-hosted a Local Government Reform consultation session with Andrew Lamb, Local Government Reform Partner, LGA SA on 16 September 2019
- Engaged with LGA SA and SA Power Network re: Public Lighting
- Engaged with URPS re: River Murray Specific planning policies that could be influenced by the introduction of the State Government Planning and Design code
- Engaged with Building Upgrade Finance concerning the availability of funding for non-residential property owners to make environmental or heritage improvements to their properties.
- Were briefed by Mellor Olsson Lawyers regarding the procedures involved in the Native Title Claim by the First Peoples of the River Murray

## 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, 30 August 2019
2. Friday, 8 November 2019
3. Friday, 27 March 2020

### Key activities of the committee included:

- Co-ordination of the application process for Councils to the Special Local Roads Program.
- An update of the 2030 Transport Plan – regional routes reviewed, action plans and database updated
- Input to the progress of the development of a regional road hierarchy
- The development of the High Risk Intersection project to seek funding support from other tiers of Government – concept designs and costing for improvements at Gazetted B-Double roads that intersect with regional freight routes and have sight or trailer movement impediments.
- The development and endorsement of a project brief and procurement plan to establish of a Regional Waste Strategy and Action Plan.

## Regional Public Health and Wellbeing Committee

The MRLGA Regional Public Health and Wellbeing Committee includes 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, 10 July 2019
2. Friday, 22 November 2019
3. Thursday, 2 April 2020

### Key activities of the committee included:

- Development of a draft 2020-2024 Regional Public Health Plan and governance arrangements for a Community Wellbeing Alliance.
- Public Health Consultations were held on 4 and 5 March 2020 in Murray Bridge and Loxton respectively.
- Meetings with the consultant occurred on 22 November 2019, 22 April 2020 and 14 May 2020.

A sub-group of the committee was also actively involved in responding to the to the State Government's Planning and Design Code implementation.

## Regional Organisation Executive Officers

The Regional Organisations Executive Officers Management group have formalised their Working Group. Meetings of the Committee were held on:

1. Wednesday, 18 September 2019
2. Wednesday, 30 October 2019
3. Thursday, 16 January 2020
4. Thursday, 27 February 2020
5. Monday, 6 April 2020
6. Wednesday, 29 April 2020

Key activities of the committee have included:

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

## SA Regional Organisation of Councils

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

MRLGA supports SAROC by attending the meetings, contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings and collegiate support to prepare briefings and support submissions. Key activities undertaken in support of SAROC have included:

- Support for the review of the 2019 SAROC Annual Business Plan and development of the 2020 SAROC Annual Business Plan
- Facilitation of engagement concerning proposed local government reform measures
- Promoting a leadership position on a waste and recycling strategy
- Lobbying the State Government on support for the second tranche of Climate Change and adaptation sector partner agreements
- Liaising with the State Government (DPTI/Local Government Grants Commission) to promote a centralised database for roads built upon common descriptors, categories (purpose) and construction and maintenance (fit for purpose) standards.
- Identifying and working with the other tiers of Government on the role of the LG sector in any economic recovery and stimulus programs in response to drought and the Covid-19 pandemic.

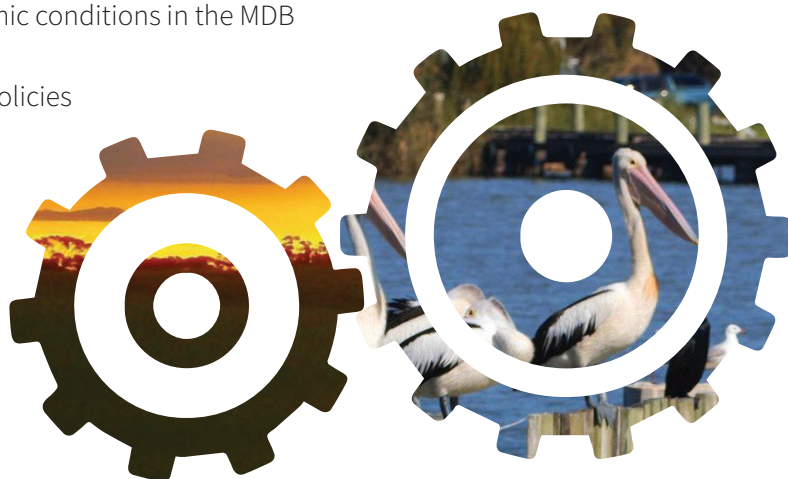
## Responses to Government Inquiries and Advocacy

In addition to the work overseen by the MRLGA Committees and Working Groups, responses have been provided to the following:

- Independent Panel Assessment of Socio-economic conditions in the MDB
- Joint Standing Committee on Migration
- Draft Planning and Design Code – River Murray Policies

Matters progressed to LGA SA include:

- Public Interest Disclosure Act
- Voter roll process
- Lesson learnt – bushfires
- Sand Drift over roads
- Fines for flammable undergrowth notices



# Audited Accounts

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## Auditors Declaration of Independence

### AUDITOR'S INDEPENDENCE DECLARATION UNDER REGULATION 22(5) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 2011 TO THE MEMBERS OF THE MURRAYLANDS AND RIVERLAND LOCAL GOVERNMENT ASSOCIATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- i. no contraventions of the auditor independence requirements as set out in the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 in relation to the audit; and,
- ii. no contraventions of Section 290 of APES 110—Code of Ethics for Professional Accountants or any other applicable code of professional conduct in relation to the audit.

### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

14 / 09 / 2020



**Murraylands and Riverland  
Local Government Association**

# **Murraylands and Riverland Local Government Association**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 June 2020**

## **Murraylands and Riverland Local Government Association**

### **Contents**

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**Murraylands and Riverland Local Government Association**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2020**

|  | <b>Note</b> | <b>2020</b>    | <b>2019</b>    |
|--|-------------|----------------|----------------|
|  |             | <b>\$</b>      | <b>\$</b>      |
| <b>Income</b>                            |             |                |                |
| M&R LGA Contributions                    | <b>2</b>    | 172,661        | 143,436        |
| Other Grants & Contributions             | <b>2</b>    | 316,148        | 367,234        |
| Interest Revenue                         | <b>2</b>    | 11,773         | 9,961          |
| <b>Total Revenue</b>                     |             | <b>500,582</b> | <b>520,631</b> |
| <b>Operating Expenses</b>                | <b>3</b>    | (438,644)      | (190,302)      |
| <b>Surplus (deficit) for the year</b>    |             | <b>61,938</b>  | <b>330,329</b> |
| <b>Total Comprehensive Profit (Loss)</b> |             | <b>61,938</b>  | <b>330,329</b> |

*The accompanying Notes form part of these financial statements*

**Murraylands and Riverland Local Government Association**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

|                                  | <b>Note</b> | <b>2020</b>           | <b>2019</b>           |
|----------------------------------|-------------|-----------------------|-----------------------|
|                                  |             | <b>\$</b>             | <b>\$</b>             |
| <b>Assets</b>                    |             |                       |                       |
| <b>Current Assets</b>            |             |                       |                       |
| Cash and Cash Equivalents        | <b>4</b>    | 945,263               | 902,359               |
| Trade and Other Receivables      | <b>5</b>    | 20,585                | 750                   |
| <b>Total Current Assets</b>      |             | <u>965,848</u>        | <u>903,109</u>        |
| <b>Total Assets</b>              |             | <u><b>965,848</b></u> | <u><b>903,109</b></u> |
| <b>Liabilities</b>               |             |                       |                       |
| <b>Current Liabilities</b>       |             |                       |                       |
| Trade and Other Payables         | <b>6</b>    | 3,567                 | 2,766                 |
| <b>Total Current Liabilities</b> |             | <u>3,567</u>          | <u>2,766</u>          |
| <b>Total Liabilities</b>         |             | <u>3,567</u>          | <u>2,766</u>          |
| <b>Net Assets</b>                |             | <u><b>962,281</b></u> | <u><b>900,343</b></u> |
| <b>Member's Funds</b>            |             |                       |                       |
| Accumulated Surplus              | <b>7</b>    | 962,281               | 900,343               |
| <b>Total Members Funds</b>       |             | <u><b>962,281</b></u> | <u><b>900,343</b></u> |

*The accompanying Notes form part of these financial statements*



**STATEMENT OF CHANGES IN MEMBER'S FUNDS  
AS AT 30 JUNE 2020**

|                                      | Note | Accumulated<br>Surplus<br>\$ | Unspent<br>funds<br>reserve<br>\$ | Total<br>\$    |
|--------------------------------------|------|------------------------------|-----------------------------------|----------------|
| <b>2020</b>                          |      |                              |                                   |                |
| Balance at the beginning of the year | 7    | 900,343                      | -                                 | 900,343        |
| Surplus for the year                 |      | 61,938                       | -                                 | 61,938         |
| Balance at the end of year           |      | <u>962,281</u>               | <u>-</u>                          | <u>962,281</u> |
| <b>2019</b>                          |      |                              |                                   |                |
| Balance at the beginning of the year | 7    | 570,014                      | -                                 | 570,014        |
| Surplus for the year                 |      | 330,329                      | -                                 | 330,329        |
| Balance at the end of year           |      | <u>900,343</u>               | <u>-</u>                          | <u>900,343</u> |

*The accompanying Notes form part of these financial statements*

**Murraylands and Riverland Local Government Association**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

|  | <b>Note</b> | <b>2020</b>    | <b>2019</b>    |
|--|-------------|----------------|----------------|
|  |             | <b>\$</b>      | <b>\$</b>      |
| <b>Cash from operating activities</b>              |             |                |                |
| Receipts from grants                               |             | 316,148        | 367,234        |
| Receipts from members                              |             | 172,661        | 143,436        |
| Interest received                                  |             | 11,773         | 9,961          |
| less: increase/(decrease) in debtors               |             | (19,835)       | 147,956        |
| Payments to suppliers                              |             | (438,644)      | (190,302)      |
| add: increase/(decrease) in payables               |             | 801            | (11,618)       |
| <b>Net cash provided from operating activities</b> | <b>8</b>    | <b>42,904</b>  | <b>466,667</b> |
| <b>Net increase in cash held</b>                   |             | <b>42,904</b>  | <b>466,667</b> |
| Cash at beginning of financial year                |             | 902,359        | 435,692        |
| <b>Cash at end of financial year</b>               | <b>4</b>    | <b>945,263</b> | <b>902,359</b> |

*The accompanying Notes form part of these financial statements*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 1: Statement of Significant Accounting Policies**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act (1999). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue by the members of the committee.

**(a) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed (subject to materiality).

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(c) Income taxes**

The activities of the Association are exempt from taxation under the Income Tax Assessment Act 1997.

**(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**(e) Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instruments are classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(ii) Financial liabilities**

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Impairment**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial re-organisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Impairment of assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **Murraylands and Riverland Local Government Association**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### **(g) Revenue**

Where it has been determined that the grant agreement is enforceable and sufficiently specific performance obligations exist, revenue is recognised in profit and loss as performance obligations are met. Otherwise, revenue is recognised on receipt.

If an amount received is in advance of the performance of obligations, a revenue in advance liability is recognised and reduced as performance obligations are met.

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

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

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

#### **New Accounting Standards Implemented:**

AASB 15: Revenue from contracts with customers and AASB 1058: Income of Not-for-Profit Entities have been applied using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be reported under AASB 1004: Contributions and AASB 118: Revenue.

#### **(h) Trade and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **(i) Trade and other receivables**

These include amounts due from the ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **(j) Critical Accounting Estimates and Judgments**

##### **Key estimates**

##### ***(i) Impairment - general***

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Murraylands and Riverland Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 2: Revenue**

|   | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|
|   | <b>\$</b>             | <b>\$</b>             |
| <b>M&amp;M LGA Contributions</b>            |                       |                       |
| Berri Barmera                               | 21,423                | 21,319                |
| Coorong District Council                    | 15,266                | 14,120                |
| DC of Karoonda East Murray                  | 8,132                 | 7,476                 |
| DC of Loxton Waikerie                       | 23,071                | 27,566                |
| Mid Murray Council                          | 18,859                | 16,889                |
| The Rural City of Murray Bridge             | 30,634                | 28,241                |
| Renmark Paringa Council                     | 19,032                | 18,965                |
| Southern Mallee DC                          | 9,784                 | 8,860                 |
| SLRP surcharge                              | 26,460                | -                     |
|   | <u>172,661</u>        | <u>143,436</u>        |
| <br><b>Other Grants &amp; Contributions</b> |                       |                       |
| Other Grants                                | -                     | -                     |
| Rubble Royalties                            | 177,787               | 194,542               |
| Regional Capacity Buildings                 | 41,221                | 40,692                |
| Community Wellbeing Alliance                | -                     | 75,000                |
| Out Reach Program Income                    | -                     | 25,000                |
| Riverland Social Indicators                 | 84,790                | 32,000                |
| Regional Road Hierarchy Plan                | 12,350                | -                     |
|   | <u>316,148</u>        | <u>367,234</u>        |
| <br><b>Interest Revenue</b>                 | 11,773                | 9,961                 |
| <br><b>Total Revenue</b>                    | <u><u>500,582</u></u> | <u><u>520,631</u></u> |

**Murraylands and Riverland Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 3: Other Operating Expenses**

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | \$             | \$             |
| Allowances                                 | 3,032          | 2,862          |
| Accounting software                        | 50             | 50             |
| Audit fees                                 | 3,100          | 3,050          |
| Executive officer contract services        | 118,500        | 121,393        |
| Insurance                                  | 5,922          | 4,325          |
| Meeting expenses                           | 1,780          | 4,615          |
| Sundry expenses & fees                     | 382            | -              |
| Strategic Planning                         | 12,210         | -              |
| Administration Support                     | 20,240         | 18,273         |
| Legal Charter Review                       | 1,741          | 490            |
| CEO Succession Planning / Recruitment      | -              | 7,302          |
| MDB Social Planning Forum                  | -              | 2,618          |
| <b>Project Expenditure:</b>                |                |                |
| Discretionary Projects                     | 66,222         | 1,192          |
| Community Wellbeing Initiative             | 55,812         | -              |
| Regional Capacity - Rubble Royalty Project | 6,000          | -              |
| Regional Joint Planning Board              | 12,005         | -              |
| Regional Waste Strategy                    | -              | 900            |
| Riverland Social Indicators                | 131,648        | 23,232         |
|  | <u>438,644</u> | <u>190,302</u> |

**Note 4: Cash and cash equivalents**

|                 | 2020           | 2019           |
|-----------------|----------------|----------------|
|                 | \$             | \$             |
| Cash on hand    | 100            | 100            |
| Cash at bank    | 67,311         | 136,180        |
| LGFA Investment | 877,852        | 766,080        |
|                 | <u>945,263</u> | <u>902,360</u> |

**Note 5: Trade and other receivables**

|                            | 2020          | 2019       |
|----------------------------|---------------|------------|
|                            | \$            | \$         |
| Trade Debtors              | 3,396         | -          |
| GST receivable / (payable) | 17,189        | -          |
| Prepayments                | -             | 750        |
|                            | <u>20,585</u> | <u>750</u> |

**Note 6: Trade and other Payables**

|                            | 2020         | 2019         |
|----------------------------|--------------|--------------|
|                            | \$           | \$           |
| Payables                   | 3,567        | -            |
| GST (receivable) / payable | -            | 2,766        |
|                            | <u>3,567</u> | <u>2,766</u> |



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

Note 7: Accumulated Surplus

|                            | 2020           | 2019           |
|----------------------------|----------------|----------------|
|                            | \$             | \$             |
| Opening Balance            | 900,343        | 570,014        |
| Surplus for the year       | 61,938         | 330,329        |
| <b>Balance at year end</b> | <b>962,281</b> | <b>900,343</b> |

*Note : reserves no longer used in relation to unspent funds as a result of change in accounting treatment.*

Note 8: Reconciliation of cash flow from operations with surplus for year

|  | 2020          | 2019           |
|--|---------------|----------------|
|  | \$            | \$             |
| Net surplus for the year                           | 61,938        | 330,329        |
| <i>Changes in assets and liabilities</i>           |               |                |
| (Increase)/decrease in trade and other receivables | (19,835)      | 147,956        |
| Increase/(decrease) in trade and other payables    | 801           | (11,618)       |
| <b>Net cash provided from operating activities</b> | <b>42,904</b> | <b>466,667</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 9: Financial Instruments**

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

**Categorisation of Financial instruments**

|                                    | Note         | 2020            |                | 2019            |                |
|------------------------------------|--------------|-----------------|----------------|-----------------|----------------|
|                                    |              | Carrying Amount | Fair Value     | Carrying Amount | Fair Value     |
| <b>Financial liabilities</b>       |              | \$              | \$             | \$              | \$             |
| Trade and other Payables           | <b>6 (i)</b> | 3,567           | 3,567          | 2,766           | 2,766          |
| <b>Total Financial liabilities</b> |              | <b>3,567</b>    | <b>3,567</b>   | <b>2,766</b>    | <b>2,766</b>   |
| <b>Financial Assets</b>            |              |                 |                |                 |                |
| Cash and cash equivalents          | <b>4</b>     | 945,263         | 945,263        | 902,360         | 902,360        |
| Trade and other Receivables        | <b>5</b>     | 20,585          | 20,585         | -               | -              |
| <b>Total Financial Assets</b>      |              | <b>945,263</b>  | <b>945,263</b> | <b>902,360</b>  | <b>902,360</b> |

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments of a nature whose carrying value is equal to fair value.

**i. Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the association securing trade and other receivables.

**ii. Liquidity Risk**

Liquidity risk arises from the possibility that the association might have difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

iii. **Market Risk**

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitivities to the association's exposure to changes in interest rates.

|                              | 2020   |                | 2019   |                |
|------------------------------|--|----------------|--|----------------|
|                              | %<br>Weighted<br>Average<br>Interest<br>rate | Carrying Value | %<br>Weighted<br>Average<br>Interest<br>rate | Carrying Value |
| <b>Financial liabilities</b> | \$   | \$             | \$   | \$             |
| Trade and other Payables     | 0%   | 3,567          | 0%   | 2,766          |
| <b>Financial Assets</b>      |  |                |  |                |
| Cash at bank                 | 0%   | 67,311         | 0%   | 136,180        |
| LGFA Investment              | 1.8%   | 877,852        | 1.8%   | 766,080        |
| Cash on hand                 | 0%   | 100            | 0%   | 100            |
| Trade and other Receivables  | 0%   | 20,585         | 0%   | -              |

## Note 10: Contingent Liabilities and Contingent Assets

At 30 June 2020, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

## Note 11: Capital Commitments

At 30 June 2020, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

## Note 12: Events after the end of the reporting period

The World Health Organisation (WHO) announced a global health emergency on 31 January 2020 in relation to the 2019 novel coronavirus (COVID-19) outbreak. Since then, the Australian and South Australian governments have placed restrictions on business, sporting and social activities which will impact on the Association's revenue and expenses. At the date of this report, an estimate of the financial impact of these events cannot be made. The Association are ensuring adequate financial reserves are in place to manage any financial risks.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

## **Note 13: Economic Dependence**

Murraylands and Riverland Local Government Association is dependent on the Local Councils within its jurisdiction and other funding bodies for the majority of its revenue used to operate the business. At the date of this report, the Committee believe that the Local Councils and other bodies will continue to fund the Association.

## **Note 14: Related Party Transactions**

The total remuneration paid to key management personnel of Murraylands and Riverland Local Government Association Incorporated during the year was as follows:

|   | 2020           |
|---|----------------|
|   | \$             |
| Chief Executive Officer Contract Services | <b>118,500</b> |

Key management personnel include the CEO and President.

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

## **Note 15: Capital Management**

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

## **Note 16: Association details**

The registered office of the association and principal place of business is;

# **Murraylands and Riverland Local Government Association**


## **STATEMENT BY MEMBERS FOR THE YEAR ENDED 30 JUNE 2020**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

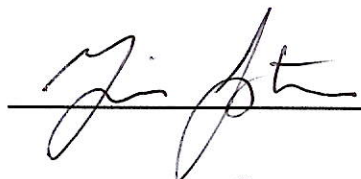
1. Presents a true and fair view of the financial position of Murraylands and Riverland Local Government Association as at 30 June 2020 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Murraylands and Riverland Local Government Association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



**Name:** PETER R. HUNT  
**Position:** President  
**Date:** 11-9-20



**Name:** TIM SMYTHE  
**Position:** Chief Executive  
**Date:** 14-9-20

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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under Professional Standards Legislation

## INDEPENDENT AUDITOR'S REPORT

To the members of the Murraylands & Riverland Local Government Association

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Government Association ("the Association"), which comprises the balance sheet as at 30 June 2020, 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 statement by the Executive Officer and the Chairperson.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Association as at 30 June 2020, 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 entity 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.

#### Responsibility for the Financial Report

The Association 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 the Association 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, the Association is responsible for assessing the Association'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity 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  
Partner

14 / 09 / 2020

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
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## INDEPENDENT AUDITOR'S REPORT

### To the Members of the Murraylands & Riverland Local Government Association

#### Independent Assurance Report on the Audit of the Internal Controls of the Murray and Mallee Local Government Association

##### Opinion

We have audited the compliance of the Murraylands and Riverland Government Association (the Association) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Association 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 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the Murraylands and Riverland Government Association has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Association 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 Association have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

##### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Association 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 2019 to 30 June 2020. ASAE 3100 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 Association's Responsibility for Internal controls

The Association 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 Association's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Association to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Association 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 2019 to 30 June 2020. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks.

**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 Association 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 Association, or for any purpose other than which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA Registered Company Auditor

Partner

14 / 09 / 2020

# Freedom of Information Statement 2019-2020



## 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 2020

## 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](http://www.southernmallee.sa.gov.au) and at the Council offices.

### **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 subdelegations). 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)
- Asset accounting policy (June 2018)
- Asset management policy (June 2018)
- Building and swimming pool inspection policy (May 2020)
- Caretaker policy (March 2020)

- 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)
- Disposal of land and assets policy (October 2017)
- Elected members allowance, benefits and general policy (August 2018)
- Elected members legal advice policy (November 2019)
- Elected members recognition of years of service policy (December 2015)
- Election process policy (March 2020)
- Electronic communications policy (November 2015)
- Employee conduct policy (June 2019)
- Fraud and corruption prevention policy (May 2019)
- Funding policy (May 2019)
- Funeral flag use policy (December 2015)
- Hardship policy for residential customers of minor and intermediate water retailers (June 2015)
- Informal gatherings policy (April 2020)
- Internal financial control policy (May 2019)
- Internal review of a council decision policy (January 2016)
- Media and communications policy (February 2015)
- Memorials and monuments policy (November 2019)
- Mobile garbage bin collection service policy (July 2015)
- Order making policy (March 2020)
- Pinnaroo retirement village policy (April 2020)
- Privacy policy (August 2016)
- Procurement policy (March 2020)
- Prudential and strategic decision making policy (January 2018)
- Prudential management policy (May 2020)
- Public consultation policy (June 2016)
- Public interest disclosure policy (October 2019)
- Rating policy (March 2020)
- Records management elected members policy (December 2015)
- Residential waste and recycling service range policy (February 2014)
- Risk management policy (November 2018)
- Road infrastructure expenditure controls (August 2013)
- Safe environment policy (February 2014)
- Selection of road and public place name policy (March 2020)
- Service range policy (September 2013)
- Treasury management policy (February 2019)



- Tree and streetscape policy (February 2014)
- Unreasonable complaints policy (August 2016)
- Venue hire policy (April 2019)
- Volunteer code of conduct policy (May 2014)

### 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 application register
- 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
- 

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

- Assessment book
- Register of employees' salaries and wages and benefits
- 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.

|                              | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 |
|------------------------------|-------|-------|-------|-------|-------|
| Applications processed       | 0     | 0     | 0     | 1     | 2     |
| Applications determined      | 0     | 0     | 0     | 1     | 2     |
| Full release                 | 0     | 0     | 0     | 1     | 2     |
| Partial release              | 0     | 0     | 0     | 0     | 0     |
| Refused access               | 0     | 0     | 0     | 0     | 0     |
| 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.

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 2020 |
|--|------------------------------------|
| On application for access to an agency's documents (section 13(c))   | \$37.50                            |
| 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))—<br>(a) In the case of a document that contains information concerning the personal affairs of the applicant—<br>(i) for up to the first 2 hours spent by the agency in dealing with the application and giving access no charge<br>(ii) for each subsequent 15 minutes so spent by the agency | No charge<br>\$14.10<br>\$14.10    |
| Where access is to be given in the form of a photocopy of the document (per page)  | \$0.20                             |
| Where access is to be given in the form of a written transcript of words recorded or contained in the document (per page)  | \$8.40                             |

|   |  |
|---|--|
| 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  | \$37.50  |

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   |
|---------------------------------------|--|---------------------------|---|--|
| <b>Audit Committee</b>                | Local Government Act, 1999 - S126<br>Established under S41 | Advisory Only             | <ul style="list-style-type: none"> <li>• Independent Chairperson x 1<br/><i>(payment provided for meeting attendance)</i></li> <li>• Independent Members x 1</li> <li>• Council Members x 3</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Plays a critical role in the financial reporting framework of Council by overseeing and monitoring the participation of</li> <li>• Management and external auditors in the financial reporting process.</li> <li>• Addresses issues such as the approach being adopted by Council and management to address business risks, corporate and financial governance responsibilities and legal</li> <li>• Compliance as well as receiving reports from Council's internal controls.</li> </ul> |
| <b>Building Fire Safety Committee</b> | Development Act, 1993 – S71                                | Delegated Authority       | <ul style="list-style-type: none"> <li>• Independent Presiding Member x 1</li> <li>• Metropolitan Fire Service representatives</li> <li>• Country Fire Service representatives</li> <li>• Council appointed authorised officers,</li> </ul> | 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   |

|                                 |  |                     |  |   |
|---------------------------------|--|---------------------|--|---|
| <b>Council Assessment Panel</b> | Planning Development and Infrastructure Act 2016 S83 | Delegated Authority | <ul style="list-style-type: none"> <li>• Elected Member of Council x 1</li> <li>• Independent Members x 4</li> </ul> | <ul style="list-style-type: none"> <li>• 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;</li> <li>• Thereafter, to act as a relevant authority under the Act;</li> <li>• To act in accordance with the requirements of this Terms of Reference.</li> <li>• 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;</li> <li>• 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.</li> </ul> |
|---------------------------------|--|---------------------|--|---|

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|--|--|---------------|---|---|
| <b>Lameroo Town Centre Plan Project Steering Committee</b> | Local Government Act, 1999 - Established under S41 | Advisory Only | <ul style="list-style-type: none"> <li>• Council Members x 2</li> <li>• Community Members x 6</li> <li>• Council Staff x 3</li> </ul> | <ul style="list-style-type: none"> <li>• Play a leadership role in the delivery of the Lameroo Town Centre Plan project</li> <li>• Promote and champion the Lameroo Town Centre Plan project</li> <li>• Represent the broad interests of the community and stakeholders</li> <li>• Help ensure effective engagement with the community</li> <li>• Provide advice on project matters such as community engagement, draft documents, plan development, project timelines, media, communications and project direction, as required</li> <li>• Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project</li> <li>• Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.</li> </ul> |
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|   |  |               |   |   |
|---|--|---------------|---|---|
| <b>Pinnaroo Village Green Masterplan Project Steering Committee</b> | Local Government Act, 1999 - Established under S41 | Advisory Only | <ul style="list-style-type: none"> <li>• Council Members x 2</li> <li>• Community Members x 5</li> <li>• Council Staff x 3</li> </ul> | <ul style="list-style-type: none"> <li>• Play a leadership role in the delivery of the Pinnaroo Village Green Masterplan project</li> <li>• Promote and champion the Pinnaroo Village Green Masterplan project</li> <li>• Represent the broad interests of the community and stakeholders</li> <li>• Help ensure effective engagement with the community</li> <li>• Provide advice on project matters such as community engagement, draft documents, plan development, project timelines, media, communications and project direction, as required</li> <li>• Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project</li> <li>• Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.</li> </ul> |
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|   |  |               |   |  |
|---|--|---------------|---|--|
| <b>Business and Visitor Wayfinding Signage Project Steering Committee</b> | Local Government Act, 1999 - Established under S41 | Advisory Only | <ul style="list-style-type: none"> <li>• Council Members x 2</li> <li>• Community Members x 5</li> <li>• Council Staff x 3</li> </ul> | <ul style="list-style-type: none"> <li>• Play a leadership role in the delivery of the Business and Visitor Wayfinding Signage project</li> <li>• Promote and champion the Business and Visitor Wayfinding Signage project</li> <li>• Represent the broad interests of the community and stakeholders</li> <li>• Help ensure effective engagement with the community</li> <li>• Provide advice on project matters such as community engagement, draft documents, project development, project timelines, media, communications and project direction, as required</li> <li>• Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project</li> <li>• Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.</li> </ul> |
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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   |
|---|---|---|
| <b>Murraylands and Riverland Local Government Association</b> | <ul style="list-style-type: none"> <li>• Berri Barmera Council</li> <li>• Coorong District Council</li> <li>• District Council Karoonda East Murray;</li> <li>• District Council of Loxton Waikerie;</li> <li>• District Council of Mid Murray</li> <li>• District Council of Renmark Paringa;</li> <li>• Rural City of Murray Bridge</li> <li>• Southern Mallee Council</li> </ul> | <ul style="list-style-type: none"> <li>• Undertake coordinating, advocacy and representational roles for its constituent Councils at a regional level.</li> <li>• 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.</li> <li>• 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.</li> <li>• Develop further cooperation between its constituent Councils for the benefit of the communities in the region.</li> <li>• 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.</li> <li>• Undertake projects that benefit the region and its communities</li> </ul> |

## External committees/boards/ associations

- Local Government Association
- Local Government Finance Authority
- Mallee and Coorong Local Government Natural Resource Management Group