



**The Flinders  
Ranges Council**

# **ANNUAL REPORT 2019-2020**

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17 November 2020**



# Our Flinders Ranges



## OUR VISION

Our community shares a deep respect for the Flinders Ranges region, history and people, and a commitment to its social, economic and environmental sustainability for both current and future generations.

Together the people and places that comprise the Flinders Ranges community make this a great place to live, raise a family, conduct business, visit and stay a while.

## OUR MISSION

To support the on-going development of The Flinders Ranges as a secure, sustainable and vibrant community by:

- Demonstrating leadership while consulting with our community.
- Advocating for the retention and enhancement of essential services.
- Acting for the preservation of the unique and natural state of The Flinders Ranges for current and future generations.
- Providing quality services and infrastructure whilst demonstrating fiscal responsibility in our decision making.
- Pursue opportunities for social inclusion and enhancing community wellbeing.
- Encouraging sustainable economic development and tourism in support of attracting a growing population and provide opportunities for all.

## OUR COMMUNITY'S PRIORITIES

Preserving the unique and natural state of The Flinders Ranges region including the cultural and built environment

An economically sustainable and vibrant community

Provision of a high standard of services and infrastructure to the community



*Pillar 1: Demonstrate leadership and engage with our community.*



*Pillar 2: Protect our environment for current and future generations.*




*Pillar 3: Provide quality services and infrastructure whilst demonstrating fiscal responsibility in our decision making.*



*Pillar 4: Encourage economic development & a growing population.*

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THE FLINDERS RANGES COUNCIL FINANCIAL STATEMENTS 2019 - 2020

FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT 2019 - 2020

LEGATUS GROUP (FORMERLY CENTRAL LOCAL GOVERNMENT REGION) ANNUAL  
REPORT 2019 - 2020

## COUNCIL PROFILE



### Basic Statistics


Area	4,128 square kilometres
Population	1,643 (ABS Census 2016)
Sealed Roads	41 kilometres
Unsealed Roads	1,225 kilometres
Number of Rateable Properties	1,621
Total Revenue (including Rates)	\$6.21m
Rate Revenue (including CWMS & Garbage)	\$2.38m
Total Expenditure	\$6.10m
Total Capital Expenditure	\$1.13m

### Local Industries

Tourism, pastoral, mixed farming, general light industry and film.

### Major Tourist Attractions

The beautiful Flinders Ranges (Walking, camping and 4wd)  
Pichi Richi Railway  
Quorn  
Hawker  
Cradock  
Hawker Panorama  
Hawker Craft Mart  
Warren Gorge  
Pichi Richi Marathon  
Hawker and Quorn Races  
Quorn Agricultural Show  
Quorn Native Flora Reserve  
Buckaringa Lookout

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Death Rock  
Mookra Tower Lookout  
Silo Art Light Show  
Jarvis Hill

### **Historic Sites**

Bruce  
Gordon  
Itali-Itali  
Pichi Richi Pass  
Proby's Graves site  
Simmonston  
Kanyaka Station Ruins  
Saltia  
Wilson  
Willochra

### **Council**

The Council consists of a Mayor (elected at large) and eight Councillors with each Elected Member representing the whole community. Council elections are controlled by the Electoral Commission of South Australia and conducted by postal ballot. The last periodic election was held in November 2018. Council has nil vacancies as at 30 June 2020.

Council currently meets on the second Tuesday of the month and meetings, open to the public, commence at 6:30pm.

Meetings are held at Quorn at the Quorn Civic Centre, 1 Seventh Street, Quorn, in January, February, April, May, July, August, October and November.

Meetings are held at Hawker at the Hawker Memorial Hospital Community Room, Cradock Road, Hawker, in March, June, September and December.


Meeting times, dates and places may be changed by Council resolution only.

### **Elected Members**

Local Government Elections were held in 2018. The newly elected Council had their first Council Meeting in November 2018. Elections are due again in 2022.

Mayor	Peter Slattery
Deputy Mayor	Greg Flint
Councillors	Ken Anderson Julian Hipwell Patricia Reynolds Anne Reubenicht Andrew Smith Steven Taylor Kevin Woolford



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The following table details attendance of Elected Members at Council meetings:

Elected Members	Ordinary Meetings	Special Meetings	Audit	Building Fire Safety	S/cscape & Public Arts Ref.	Flinders Ranges VIC Mnmt	Swimming Pool Ref.	Policy Review Ref.	CEO Review	Little Corella Ref.	Flinders Regional Assess. Panel	Works Review Ref.	Local History Group Ref.
Mayor Peter Slattery	12	5	1		7			0	2	1		10	
Cr Ken Anderson	9	4		3								8	
Cr Greg Flint	12	5	1						2				
Cr Julian Hipwell	11	3			4	6			2				
Cr Annie Reubenicht	11	4						0				6	
Cr Patsy Reynolds	12	5	1					0					
Cr Andrew Smith	9	5					5			2		11	5
Cr Steven Taylor	10	4					5		2				
Cr Kevin Woolford	7	4			6					1	0		
<b>Total number of meetings</b>	<b>93</b>	<b>39</b>	<b>3</b>	<b>3</b>	<b>17</b>	<b>6</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>35</b>	<b>5</b>

### Elected Members' Allowances

Allowances are determined in accordance with the *Local Government Act 1999* and the *Local Government (Members Allowances and Benefits) Regulations 2010*.

Annual Allowances as at 30 June 2020:

➤ Mayor	\$26,968.00
➤ Deputy Mayor	\$ 8,428.00
➤ Elected Member - Quorn	\$ 6,742.00
➤ Elected Member - Hawker	\$ 6,742.50

The two Hawker based Elected Members receive an additional \$726.00 per annum to cover travel time to Quorn every month including Hawker Meetings. Quorn Elected Members do not receive any travel time allowance for travelling to Hawker every three (3) months.

In accordance with the *Local Government (Members Allowances and Benefits) Regulations 2010* members are reimbursed for prescribed out-of-pocket expenses incurred while representing Council on official duties.

Allowances are determined by the Remuneration Tribunal which is outside the control of Council and appointed by State Government. Allowances are indexed annually in November.

### Training and Development Opportunities for Elected Members

Training appropriate to the legislative and governance roles and functions of Councillors is provided by the Local Government Association of South Australia and associated training providers and is available for Members able and willing to participate. Council's Elected Member Training Policy mandates the LGA Online – Council Members Essentials Training.

In addition, Norman Waterhouse Lawyers often provide training preceding Councils Ordinary Meeting held in the Quorn Council Chambers, via a half-hour webinar on various topics as needed.

The following table details training undertaken by Elected Members pursuant to Council Training and Development for Elected Members Policy in 2019-20:

Elected Members	Module 1- Introduction to Local Government	Module 2 – Legal Responsibilities	Module 3 – Council & Committee Meetings	Module 4 – Financial Management and Reporting	Total
Mayor Peter Slattery	x	x	x	x	4/4
Cr Ken Anderson	x	x	x	x	4/4
Cr Greg Flint	x	x	x	x	4/4
Cr Julian Hipwell	x	x	x	x	4/4
Cr Patricia Reynolds	x	x	x	x	4/4
Cr Andrew Smith	x	x	x	x	4/4
Cr Annie Reubenicht	x	x	x	x	4/4
Cr Steven Taylor	x	x	x	x	4/4
Cr Kevin Woolford	x				1/4
<b>Total training modules</b>	9	8	8	8	33

### Elector Representation

Number of Electors (as at 28 February 2020)

1,209

*All Councils classified Rural Agricultural Small (RAS) under Australian Classification of Local Government*

Council	Elected Members	Electors	Wards	Rep. Quota
Cleve	7	1,227	0	175
Elliston	8	737	0	92
Flinders Ranges	9	1,209	0	134
Franklin Harbour	6	888	0	148
Karoonda-East Murray	7	745	0	106
Kimba	7	823	0	117
Orroroo Carrieton	6	670	0	111
Robe	7	1,304	0	186
Streaky Bay	8	1,583	2	197
Wudinna	7	823	0	117
Average excluding FRC	7	978	0	139

*Neighbouring Councils classified Rural Agricultural Medium (RAM) under Australian Classification of Local Government*

Council	Elected Members	Electors	Wards	Rep. Quota
Mount Remarkable	7	2,145	2	306
Peterborough	9	1,214	0	134
Northern Areas	9	3,399	4	377

*Neighbouring Councils classified Urban Regional Small (URS) under Australian Classification of Local Government*

Council	Elected Members	Electors	Wards	Rep. Quota
Port Augusta	10	9,491	0	949

Council conducted a review of its representation quota in 2012-2013 pursuant to Section 12(4) of the *Local Government Act 1999*.



Councillors voted to retain their 8 councillor positions plus a Mayor. This was approved by the Commissioner pursuant to Section 12(13)(a) of the *Local Government Act 1999* and published in the Government Gazette on 23 May 2013. The next scheduled review is due in 2020-2021.

Council is presently undertaking a periodic review of its representation which is anticipated to be completed by mid-2021.

### Use of Confidentially Provisions

All Council and Council Committee meetings are open to the Public.

Section 90(2) & (3) of the *Local Government Act 1999* provides Council with the authority to consider certain defined matters on a confidential basis and specify a time period for review of the confidentiality order.

The following table summarises the use (Section 90(2)) and release (Section 91(7)) of matters considered in confidence under Section 90(2) of the *Local Government Act 1999* for the period 1 July 2019 to 30 June 2020:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
02 Aug 2019	90(3)(a)	178/2019	02 Aug 2020	
11 Sep 2019	90(3)(a)	207/2019		11 Mar 2020
	90(3)(a)	208/2019		11 Mar 2020
	90(3)(a)	209/2019		11 Mar 2020
	90(3)(a)	210/2019		11 Mar 2020
15 Oct 2019	90(3)(d)	245/2019		03 Apr 2020
	90(3)(d)	246/2019		03 Apr 2020
	90(3)(d)	247/2019		03 Apr 2020
	90(3)(d)	248/2019		03 Apr 2020
16 Oct 2019	90(3)(a)	252/2019		16 Apr 2020
	90(3)(i)	256/2019		07 Nov 2019
21 Jan 2020	90(3)(a)	015/2020		21 Jan 2020
18 Feb 2020	90(3)(a)	038/2020	18 Feb 2021	
	90(3)(a)	039/2020	18 Feb 2021	
	90(3)(a)	042/2020	18 Feb 2021	
	90(3)(a)	043/2020	18 Feb 2021	
	90(3)(b)	046/2020	13 Oct 2020	
21 Apr 2020	90(3)(k)	087/2020	21 Apr 2021	
	90(3)(k)	088/2020	21 Apr 2021	
19 May 2020	90(3)(a)	116/2020	19 May 2021	
16 Jun 2020	90(3)(a)	137/2020	16 Jun 2021	

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## Regional Subsidiaries

Council is a member of the Legatus Group (formerly Central Local Government Region of South Australia Incorporated), a Regional Subsidiary created under the provisions of Section 43 of the *Local Government Act 1999*.

The annual financial report of the Regional Subsidiary is incorporated in the Annual Report as required by Clause 28 of Schedule 2 to the *Local Government Act 1999*. The full report is incorporated in this Annual Report or can be viewed at the Legatus Group office, Clare.

Pursuant to Section 84 and Clause 13 of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*, the Minister for Planning constituted, by notice in the Gazette, the Flinders Regional Assessment Panel from 17 October 2019 to 31 July 2020 as successor to the Flinders Regional Development Assessment Panel constituted under the *Development Act 1993*.

The Annual Report of the Flinders Regional Assessment Panel for the period 1 July 2019 to 30 June 2020 is incorporated in this Annual Report.

## Human Resources

The Flinders Ranges Council is an equal opportunity employer.

As at 30 June 2020, The Flinders Ranges Council employed 9.8 FTE males and 8.1 FTE females. Council also has full-time 2 trainees supplied by Maxima. Council currently employs 3 persons of Aboriginal and/or Torres Island descent.

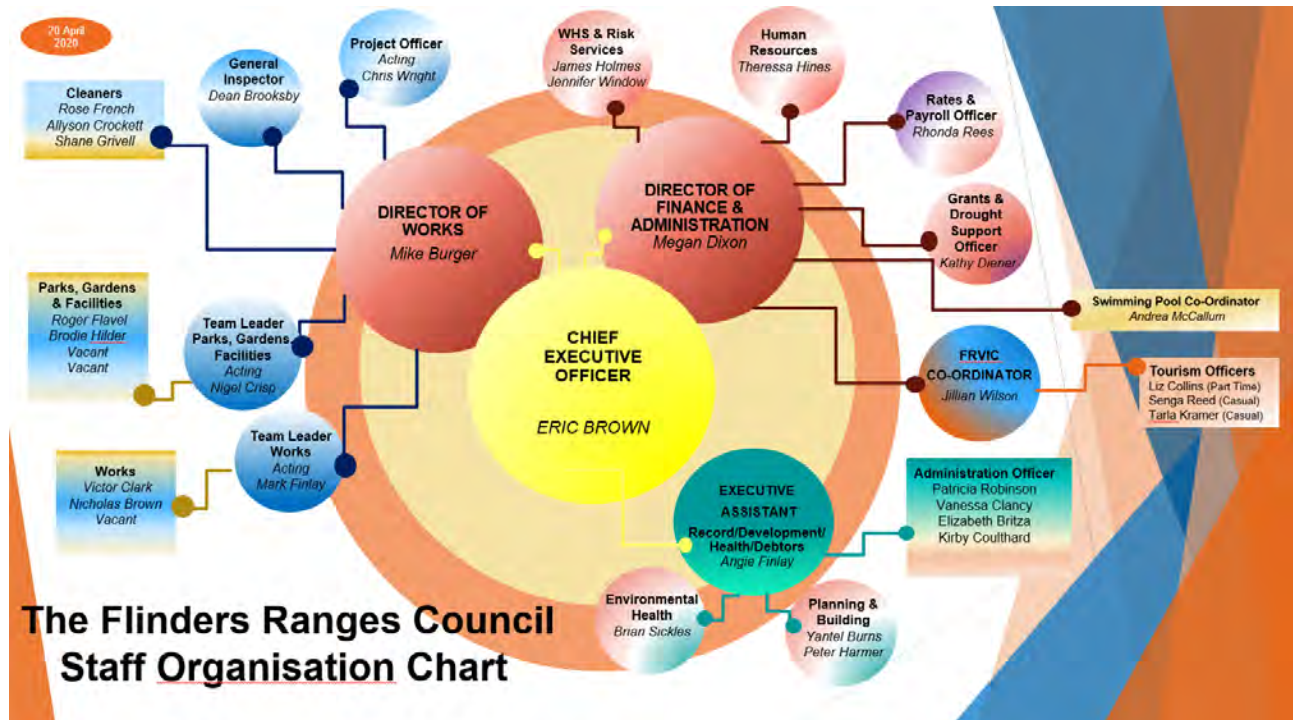
## Senior Executive

Three (3) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses though some contracts include a reimbursement for telephone work-related call costs, professional memberships, and the use of a Council provided motor vehicle for business and private use. Refer to page 29 for further clarification.

The Register of Salaries is available on Council's website and details all staff remuneration levels.

## Council Organisation Structure

The following diagram shows the staff organisation structure of The Flinders Ranges Council as at 30 June 2020:



Above the Chief Executive Officer sits the Council (Elected Members).

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## MAYOR'S REPORT

In presenting this Annual Report of The Flinders Ranges Council, it is once again opportune to look back on the last year and consider what we have been able to achieve for our community. As has often been the case, this past year has presented obstacles and challenges to Council in the basic provision of usual services and functions – challenges which magnify when pursuing a bigger and more complicated works and projects schedule due to (most welcome!) funding opportunities which we have been able to secure for our region and our people.

At the commencement of this 2019-2020 year, Council had just appointed a new Works Manager and our (relatively recently appointed) Finance & Admin Manager was Acting CEO, leading to temporary back-filling of the FAM role. The appointed CEO retired, triggering a CEO recruitment program and further disruption to the organisation.

By the end of the year, the new CEO (who commenced with FRC on 6 Jan) had appointed new staff to both senior supporting roles in addition to learning about our region and the Council and picking up a fragmented works and project schedule with a number of projects running behind completion timelines. That we find ourselves in a position where all the day to day operations – roadworks and patrol grading, town and park maintenance, waste services, town halls, swimming pools, public infrastructure maintenance, regulatory compliance and governance, and so on – have been capably managed, in addition to the management of a number of externally supported projects (Drought Communities Program notably) – and all that outside the further complications and issues thrown up by the CV19 response and protocols! - is a great credit to the commitment of Eric Brown as CEO and all of the staff we have working for our community. Thank you all!

To consider some of these aspirational projects, we have been able to complete the new Hawker Gym facility adjacent to the Hawker Pool and Community Sports Centre – this is a great facility for a small regional community. Additionally, long identified works at Warren Gorge to improve sustainability of this key area by implementing a better regulated and defined area for visitors and campers have been completed which minimise user impacts in sensitive areas and hopefully engender greater respect for the area. The Quorn Silo Light Show is another great project which has generated a lot of interest, and provides another reason for visitors to slow down and spend some time in our region, and is something different to the usual “painted silo” offering.

In the kitchen refurbishment and air-conditioning of the Quorn Town Hall, following on from recent similar works in the Hawker Town Hall, we have now been able to invest in improving facilities in both of these magnificent and very important community facilities.

The past few years in our region have been dominated by the National Radioactive Waste Management Facility (NRWMF) debate. After a difficult and challenging process which caused much community angst and division, threw up a lot of conflicting claims and counter-claims, saw lots of information from variously credible sources placed into the public realm, we were eventually able to conduct a Community Ballot in November/December 2019 to ascertain just what the community really felt about the proposal.

Whilst the response rate, after such a long and emotive debate, was lower than anticipated we were left with a clear directive from those who voted. That outcome was that there was NOT broad community support for the establishment of a NRWMF in this area, and in response to that outcome the Barndioota site was removed from consideration.

We now have a final opportunity to utilise the opportunity afforded by the Community Benefit Program grant funding process to leverage some strategic, long term, meaningful outcomes for our region in the final round of that process.

The drought continues to take a huge toll on our region – the economic impacts will be with us for many years as the cumulative effects of year on year drought continue and stock levels are at extremely low or zero levels. Such ongoing hardship, whilst undoubtedly part of the climate cycle in Australia, creates very high levels of stress, strain and mental difficulty when there appears to be no

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light on the horizon. The Flinders Ranges Council has worked collaboratively with neighbouring Councils to seek funding support for Mental Health counsellors in addition to the business support roles PIRSA have in the region. Additionally, FRC have a Drought and Grants Support Officer to assist people in identifying where support for their situation might be found and to assist in making those connections. FRC also initiated a rates and fines moratorium to assist residents and ratepayers during these challenging times and this aspect was well received in the community. After a number of years of drought, the recovery will be a gradual and slow one when the rains do come and we will continue to monitor the regional situation and consider where we can provide support.

As a Council, and as residents, we are custodians of a spectacular and diverse region which attracts visitors from across the country and around the world. It's a great place to live, and further development of our tourism credentials and facilities will help secure a strong and sustainable future in the Flinders for those who want to be here. Council's focus, to that end, is on economic drivers and sustainability to improve the already crucial tourism spend and economy, the businesses and jobs it sustains, in our towns. By supporting and retaining our services through the tourism economy, a better level and range of services is available for us as residents as well.

Thanks again to our CEO Eric Brown, his management team and all staff, and to the Elected Members who represent the interests of the Flinders Ranges community, for your commitment and efforts on behalf of our residents and ratepayers

***Peter Slattery***  
***Mayor, The Flinders Ranges Council***

## OFFICERS' REPORTS

### Chief Executive Officer

The 2019-2020 financial year was a challenging but rewarding year with significant progress being made to stabilise the organisation after a period of change. This combined with the onset of COVID19, a significantly larger than usual works program, a 60% vacancy rate in the outdoor team, the preparation for a new finance system, and the introduction of a new planning system certainly kept the team busy!

However, the challenges thrown at Council in this tumultuous year were made significantly more rewarding by the strong support from the Community, Council and the incredible Flinders Ranges Council staff team.

I look forward to continuing the journey of continuous quality improvement in serving the community over the coming years with a clear focus on building tourism, economic development while improving financial sustainability.

Council remains committed to seeking collaborative opportunities through both the Flinders Shared Services Group and other mechanisms to both increase services and save costs.

Council shared the following services with other Councils during 2019-2020:

Position	Supplied by	Supplied to	Shared with
Environmental Health Officer	Port Pirie Regional Council		
Food Safety Development Officer	Port Pirie Regional Council		
Building Officer	Port Augusta City Council / Harmer Consulting		
WHS Officer's	Port Augusta City Council & District Council of Peterborough		District Council of Orroroo Carrieton; District Council of Peterborough
Starfield Officer	Port Augusta City Council		
Rates Officer		Outback Communities Authority	
General Inspector		District Council of Orroroo Carrieton	
Building Fire Safety Committee			District Council of Orroroo Carrieton; District Council of Mount Remarkable
Regional Development Assessment Panel			District Council of Orroroo Carrieton; District Council of Mount Remarkable; District Council of Peterborough
Waste Services			District Council of Orroroo Carrieton; District Council of Mount Remarkable
Northern Passenger Transport Network	District Council of Mount Remarkable		District Council of Orroroo Carrieton; District Council of Peterborough, Northern Areas Council
Auditor			District Council of Orroroo Carrieton; District Council of Peterborough
Independent Chair Audit Committee			District Council of Peterborough
LGE (Corporate Software Service)			District Council of Peterborough, District Council of Kimba, District Council of Streaky Bay, Wudinna District Council, District Council of Karoonda East Murray, Outback Communities Authority



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Council engages with the community through the monthly Newsletters, Council's website and Council's Facebook page. Council also advertises and places articles in the Quorn Mercury, Hawker Town Crier and Flinders News on a regular basis.

Public consultation undertaken during the year included the Annual Business Plan 2020-2021, Budget 2020-2021 and Long-Term Financial Plan 2019-2039; a range of new and updated Council policies and Terms of Reference; and Rating Discussion Paper 2020-2021. Council also consulted on the Streetscape Plan, holding a community information session in Quorn, Hawker and Cradock.

Council actively seeks additional funding opportunities to enhance Council's sustainable provision of infrastructure and services and improve the quality of life for its residents and businesses. This is not confined to grants, but also through collaborative projects and private investment. Council has continued to be very successful in obtaining grants in 2019-2020, most of which were competitive. Including the awarding of \$240,000 for the Quorn Bush Food Walk project, \$1million in Drought Communities, and an upgrade for the Quorn Aerodrome to name a few.

The Flinders Ranges Council continued programmed replacement and upgrade of Council infrastructure in 2019-2020.

The Elected Members strive to improve services and infrastructure with a limited budget, which at times is a hard-balancing act between services, infrastructure and rates. The elected body is keen to keep the community engaged in the decision-making process and has always welcome community input.

I thank all staff for their continued dedication and hard work in serving The Flinders Ranges Council community. Their ongoing effort to improve the lives of others is very much appreciated by myself, the elected body and the community in general. I look forward to continued support in improving services and infrastructure in our community.

Finally, the sustainable provision of a wide range of services and the maintenance of infrastructure remains a key challenge for our Council, which continues to pursue alternative service delivery models including shared services and joint operations.

***Eric Brown***  
***Chief Executive Officer***

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## Director of Works Report

The Works and Parks Department undertakes capital construction, major and routine maintenance of infrastructure within the Council boundary. To undertake these required activities a portion of funding is derived from external grant funds being various Federal and State Government agencies and from other Council income streams. Maintenance work is undertaken as routine or work derived from customer requests.

### Works and Services Functions

Major capital construction projects undertaken in the financial year were:

Rural Road Sheeting

Arden Vale Road	2500 meters
Boolcunda Road	3000 meters
Cradock Road	3000 meters
Yednalue Road	3000 meters

### Town Streets

A focus on beautification and aesthetics predominantly at entranceways and railway terrace, new plantings and irrigation, new turf and shelter has all received positive feedback.

### Maintenance Works

The following are undertakings by Council in the regular maintenance of Council facilities:

- Rural Road Maintenance Grading Council's staff and contractors continually maintain the unsealed road network utilising rain events for moisture, grading of drains and other areas are being graded during the dry season.
- Quorn and Hawker town and street maintenance (inclusive of all reticulation, playground equipment and maintenance, mowing and verge slashing, street cleaning footpath maintenance).
- Maintenance of pools and surrounds continue in conjunction with pool co-ordinator.

### Plant Replacement


Replacement of DFA Vehicle

Replacement of the Town Truck

Various small plant and machinery for maintenance of Council infrastructure including a pump for mobile spray unit and vibrating plate.

### General

A near complete team of works and parks staff has allowed for the department to carry out and complete the majority of maintenance and capital tasks as planned. Whilst only a small team there is a lot that is achieved throughout the district.

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### **General Inspector**

Overall it has been a good year for Dog and Cat Management for The Flinders Ranges Council

There was a decrease in the number of dogs registered in our district during the last year.

Below are the statistics for the financial year.

#### **Statistics: Total**

Dog Wandering	17
Impounded	4
Dog Attack / Harassment/Complaints	11
Unregistered	1
Cat Cage Hire Days	180
Citronella Collar Hire Days	1
Cat complaints – Domestic	10
Cat complaints -Feral	6
Expiations Unregistered Dogs	0
Expiations Wandering Dogs	1
Expiations Attack/Harass	3

The total number of dogs that were wandering at large was like last year, education of dog owners is still ongoing in the council district, the public also helps by keeping the dog if found and getting the owner to pick it up.

Cat cages were used on a regular basis during this time, mainly for feral cats. The number of cat complaints increased during this reporting time in both Quorn and Hawker, this has been due the number of feral cats breeding from some properties in the townships.

There were several non-cat or dog related reports to Council this year, these involved straying sheep and cattle which were causing problems with the public.


The Inspector keeps up to date with the Dog and Cat Management Act and liaises with other Officers from adjoining Councils this helps to keep up to date with legislation.

Routine inspections have been carried out Halls, Ovals, Warren Gorge, Playgrounds, signage and Airports.

Inspections were carried out for compliance with signage.

The Inspector/Ranger is shared with Orroroo/Carrieton Council and is utilised as required.

**Mitchell Foote**  
**Director of Works**

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### Development Officer


Yantel Burns (Planning Officer), Michael Walmesley (Senior Planning Officer), Nick Heron (Building Officer) and Adam Grantham (Building Officer) as Council's Development Officer and Building Officer on a fee for service basis from Port Augusta City Council.

Council also utilised the skills of its own staff. Harmer CLG, Council's Consultant Building Surveyor, was engaged to undertake any Building Rules Consent required.

### Development Approvals

The following table illustrates the number and value of development approvals by category for the current and the previous financial years:

Class	Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
		Number of Applications	Number of Applications	Number of Applications	Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	9	6	8	5	5
1b	Boarding House, Guest House, Hostel	1	0	0	0	0
2	Building containing 2 or more units	0	0	0	0	0
3	Residential Building (e.g. aged)	0	0	0	0	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	0	0	0	1	5
5	Office building	0	1	1	0	1
6	Shop or other building	0	2	2	0	0
7	Carpark or building for storage, display of goods or produce for sale	0	0	0	0	0
8	Laboratory	1	0	0	0	0
9	Health Care building	0	0	3	0	0
10a	Non-habitable building or structure (e.g. veranda, garage, shed)	37	23	40	28	28
10b	Swimming Pool, fence mast or antenna	3	2	4	0	1
Land Division Applications			0	1	1	1
<b>Total Applications and Development Cost</b>		<b>51 Total Value \$1,712,353</b>	<b>35 Total Value \$1,951,195</b>	<b>59 Total Value \$4,696,645</b>	<b>34 Total Value \$1,177,021</b>	<b>41 Total Value \$1,965,504</b>

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## Strategic Directions Report

Council commenced a Strategic Directions Report in December 2013. Section 30 of the *Development Act 1993* requires that all Councils in South Australia prepare a Strategic Directions Report addressing the strategic planning issues for the region, identifying amendments to the Development Plan, and setting out Council's priorities with respect to land use planning, transport and infrastructure provision, and the delivery of the relevant strategies and targets contained within the Planning Strategy.

Every Council must prepare or update their Strategic Directions Report on a regular basis, in particular following an alteration to the South Australian Planning Strategy (i.e. publication of the Far North Plan in 2010).

The Strategic Directions Report is the key instrument which allows a Council to outline a vision for growth in the Council and establish a concurrent set of priority actions for planning policy change. This is primarily achieved by means of a program of Development Plan Amendments (DPAs) to transcribe envisaged policy into Development Plan provisions. In particular, the Strategic Directions Report should identify the council's priority actions for:

- achieving orderly and efficient development through the implementation of planning policies
  - integrating transport and land-use planning within its area
  - implementing the relevant policies and targets in the Planning Strategy
  - implementing the affordable housing policies in the Planning Strategy
  - infrastructure planning (including both physical and social infrastructure)
  - any other projects or initiatives considered to be of strategic importance by the council.
- (See section 30 (2) (b) and (1) (c) of the *Development Act 1993* for further information)

Consultants, URS, were appointed by Council and conducted workshop sessions on several occasions with Mayor, Councillors and key staff. Public Meetings were held in Hawker and Quorn in early June 2014 to discuss the draft Strategic Directions Report. The Strategic Directions Report was adopted by Council on 12 August 2014.

## Referral

Council referred no applications to the Flinders Regional Assessment Panel

**Yantel Burns**  
**Development Officer**


## Environmental Health Officer

Brian Sickles (PPRC) is a part-time Environmental Health Officer. Brian Sickles is employed by Port Pirie Regional Council and is engaged on a fee for service basis.

Key Statistics for the year 2019-2020 Financial Year:

33 inspections of food premises were conducted  
 3 inspections of other premises were conducted  
 1 written warning was issued  
 4 high risk manufactured water systems (warm water systems) were inspected and renewed for 2019-2020.  
 4 wastewater system applications were approved in 2019-2020.

**Brian Sickles**  
**Environmental Health Officer**

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## PUBLIC PARTICIPATION AND ACCESS TO COUNCIL DOCUMENTS

### Public Participation

Council Meetings are open to the public and residents are invited to attend all and any meetings to obtain a better understanding of the mechanisms of Council.

Deputations and presentations to Council can occur subject to a written request being made to Council and addressed to the Mayor.

Petitions can also be presented to Council on any issue that is within Council jurisdiction.

### Access to Council Documents

The following documents are available for public inspection at the Council office.

- Agenda and Minutes
- Community Plan
- Policy Manual
- Annual Business Plan
- Long Term Financial Plan
- Infrastructure and Asset Management Plans
- Asset Register
- Annual Report
- Financial Report
- Development Plan
- Development Application Register
- Assessment Book
- Voters Roll
- Register of Members Allowances and Benefits
- Register of Employee's Salaries, Wages and Benefits
- Community Lands Management Plan
- Animal Management Plan
- Community Emergency Response Management Plan
- Business Continuity Plan
- Register of Dogs.

Printed copies of the above are available for a charge or are freely available on Council's website: [www.frc.sa.gov.au](http://www.frc.sa.gov.au)

### Other Information Requests / Freedom of Information


Requests for other information will be considered and may be determined in accordance with the *Freedom of Information Act 1991*.

An application and search fee will be required to be lodged with any application for information under *Freedom of Information Act 1991*. Should detail the information required and the intended use of that information. Any Freedom of Information application should be made on the correct form, be accompanied by the applicable fee and will be assessed within the statutory period required under the *Freedom of Information Act 1991*.

Any request for information should be addressed to the:

FOI Officer, The Flinders Ranges Council, PO Box 43, Quorn SA 5433



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A member of the public may make a request under the *Freedom of Information Act 1991* for access to documents.

To gain access to these Council records, a member of the public must complete a Freedom of Information request application outlining the records that they wish to inspect and pay the prescribed fee.

During the 2019-2020 reporting year, Council received one request under the *Freedom of Information Act 1991* from a Member of Parliament.

STEPHENS	9-Jul-19	Hon Terry Stephens MLC	Email correspondence received 1 July 2019 requesting 2017/18 and 2018/19 solid waste levy invoices.
Spark090919	9-Sep-19	Tiffany Sparkes	Request for dog pound statistics

Council currently has two (2) FOI Officers (being the Chief Executive Officer and the Executive Assistant) as at 30 June 2020.

### **Amendment of Council Records**

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the *Local Government Act 1999* or the *Freedom of Information Act 1991* depending on the document that requires correction. A member of the public may then 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 member of the public must complete a Freedom of Information request application as indicated above outlining the records that they wish to inspect.

### **Public Consultation**

The Flinders Ranges Council has adopted a Public Consultation Policy in accordance with Section 50 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 14 August 2012 and last reviewed in September 2017.

The following steps will be taken by Council to fulfil the requirements of the Public Consultation Policy. Council's management executive, in consultation with Council as deemed necessary, will:

- identify stakeholders relevant to the consultation topic;
- decide the key messages to deliver to stakeholders;
- identify the parameters of the consultation initiative, that is, what aspects of the decision can be influenced;
- identify a range of appropriate options for communicating information to stakeholders and inviting involvement – “the communication strategy”;
- identify a range of appropriate consultation initiatives – “the consultation strategy”;
- identify contact person(s) for interested parties to obtain further information;
- identify timeframes relevant to the consultation initiative. Council will aim to provide 14 days notice of any consultation forums or opportunities, and ensure a period of 21 days

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is allocated from the date of inviting involvement to the final closing date for submissions;

- determine responsibility for:
  - implementing the communication and consultation strategy;
  - reporting to Council on the outcomes;
  - providing feedback about the decision to participants; and
  - ensuring appropriate records are kept.

### Internal Review of Council Decisions

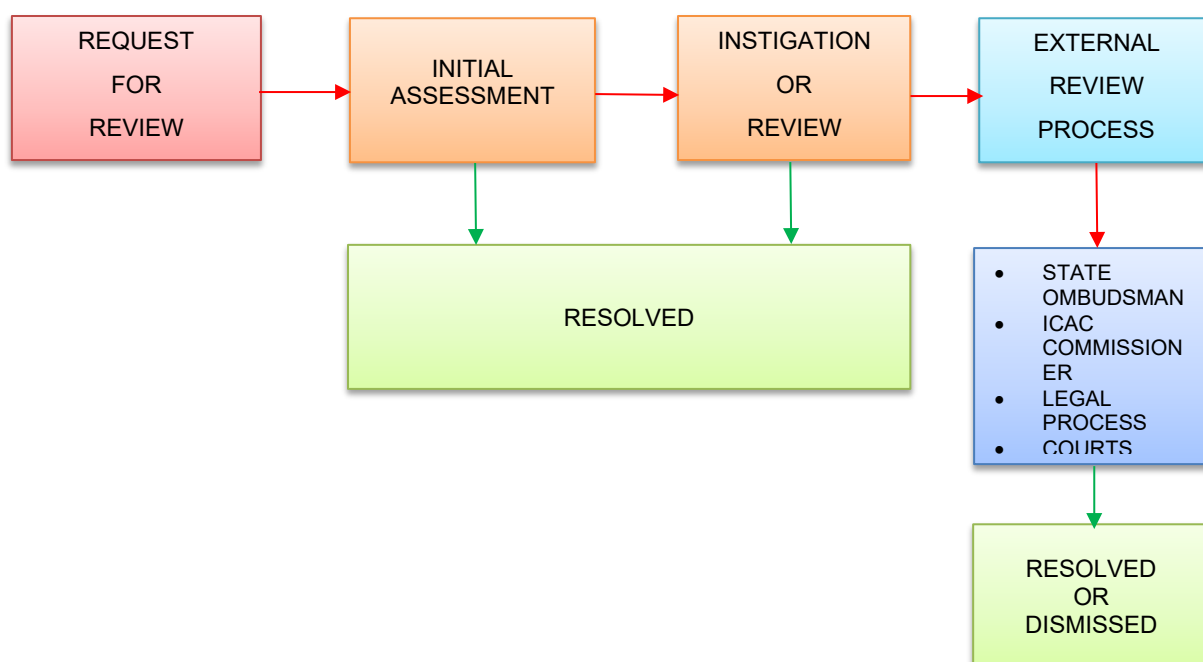
The Flinders Ranges Council is committed to transparent decision-making processes, and to providing access to a fair and objective procedure for the internal review of decisions.


Grievances may arise as a result of dissatisfaction with a decision about a policy, procedure, service or fee. All attempts will be made to resolve grievances quickly and efficiently, without the need for formal applications for review to be lodged. Sometimes this cannot be achieved. Council's Internal Review of Council Decisions Policy provides guidance for dealing with formal requests for internal review of decisions of Council, its employees, and other people acting on behalf of the Council.

Dealing with grievances at the local level is the most effective way of resolving matters quickly. Applicants for review of decisions will be encouraged to participate in the review handling process co-operatively. However, this will not negate citizens' rights to seek external review through the State Ombudsman, other legal appeal processes, or the Courts at any time during the internal review process.

The Flinders Ranges Council's Internal Review of Council Decisions Policy, has been adopted in accordance with Section 270 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 20 December 2016 to incorporate changes recommended by the Ombudsman following a report issued by the Ombudsman. Council's public Consultation Policy is one aspect of Council's customer focused approach to service delivery. It provides a further opportunity to review the way Council provides services to the community, and to identify areas for improvement.

The following diagram demonstrates the review processes available to the applicant for the review of Council decisions.



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During 2019-2020 reporting year, Council received no requests for the Internal Review of Council Decision under Section 270 of the *Local Government Act 1999*.

### **Application of National Competition Policy to Local Government**

Pursuant to the *Government Business Enterprises (Competition) Act 1996* Council has no report to make as Council does not operate any business activity subject to the application of Policy principles.

Council did not have or enter into any significant business activity which would be subject to Category 1 or 2 of the SA Policy.

Council did not review or propose any By-laws during 2019-2020 subject to the *Government Business Enterprises (Competition) Act 1996*.

### **Procurement - Competitive Tender and Local Purchasing**

Council's Procurement and Disposal Policy has been applied in the purchase of goods and services including items of a capital nature during the reporting year. Wherever possible the use of local suppliers for the purchase of goods and services is given due consideration provided the specification and other prerequisites meet Council's requirements.

Council reviewed and updated this policy on 21 November 2017.

### **Strategic Management Plan (Community Plan)**

The Council reviewed and updated the Strategic Management Plan, with the Strategic Plan 2012-2022 being replaced with a new Community Plan 2019-2028. The Community Plan was based on the results of a community survey and robust consultation. The new Council Community Plan was adopted by Council at its 18 June 2019 Ordinary Meeting.

During 2019-2020 Council had achieved in all key areas of performance against the seventeen key objectives outlined in the Council Strategic Management Plan 2012-2022.

### **Annual Business Plan**

Council has successfully minimised the financial impact of external factors beyond its control in its Annual Business Plan 2019-2020 and has continued to maintain and enhance delivery of all services imposed by the *Local Government Act 1999*, the *Development Act 1993* and other applicable legislation enacted by Federal and State Governments.

The Annual Business Plan 2019-2020 was adopted on 27 June 2019.

Council has reviewed the 2019-2020 budget against audited actuals pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011*. All variations over 10% have been noted in the FRC Financial Statements 2019-2020.

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## **Long Term Financial Plan**

Council has been targeting long-term sustainability and increasing its own source income to reduce the impact of external factors and has continued to maintain and enhance delivery of all services in this process.

Council reviews and updates the Long Term Financial Plan on an annual basis and the first year of the Long Term Financial Plan is the current year's budget.

The Long Term Financial Plan 2020-2040 was adopted on 30 June 2020.

## **Community Land Management Plan**

Council has adopted a Community Land Management Plan in accordance with Section 196 of the *Local Government Act 1999*. The Management Plan guides Council in the utilisation of community land and buildings. It is available on Council's website.

The Community Land Management Plan was reviewed in the 2018-2019 financial year.

## **Auditor's Remuneration**

Galpins Accountants, Auditors and Business Consultants were awarded the contract from the 2017-2018 year audit (3 +2 contract). The contracted fee is \$23,583 for the 2019-2020 audit and is indexed annually.

The Auditor's report did not identify any areas of concern or reportable occurrences.

## **Decision Making Structure**

All decisions are the property of the Council. The committees appointed by Council have an advisory function only, and Council officers are empowered to act in accordance with delegations made by Council pursuant to the provisions of the *Local Government Act 1999* and associated legislation. All committee meeting minutes are received by Council and recommendations acted on.

Refer to Council Organisation Chart on page 10 for Council's internal decision-making structure.

Council delegates various functions to the staff to enable services and infrastructure to be provided to the community in a timely manner (refer page 27).

## **Volunteers**

Volunteers are an important and integral part of The Flinders Ranges Council, assisting with the development of Council property and services.

Their contribution is acknowledged and appreciated as is that of all the volunteers engaged in other volunteer organisations across the Council district.

All volunteers make a significant contribution to our communities.

## WHS and Risk Management

The Flinders Ranges Council has a strong commitment to ensuring all employees and volunteers are provided with a safe work environment with risk management practices being integrated into all facets of Council's operation and delivery of services.

Item	FY - 18/19	FY - 19/20
Contractor Induction & Update	6	24
Risk Assessments – Substances	2	10
Risk Assessments – Task	8	12
Risk Assessments – Plant	24	17
Internal Audits	0	0
Safe Work Instructions (SWIs)	8	12
Safety Committee Meetings	6	4
Works Staff Meetings	10	11
Admin Staff Meetings	10	11
Incident Reports/Investigations	41	34
Hazards Reported	0	13
CAPA Register – new items during year	97	84
CAPA Register – Open Items as at 30 June	42	16
WHS Policy / Procedure Reviews	11	7

Council continues to work through its WHS Plan:

WHS/IM Plan Summary												
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Items Planned	2	3	3	0	0	0	0	0	5	4	3	6
Items Completed	2	3	3	0	0	0	0	2	4	2	2	5
% Planned Vs Completed	100%	100%	100%					200%	80%	50%	67%	83%


The Local Government Association Workers Compensation Scheme is working with Councils to ensure compliance.

A summary compliance calendar for 2019-2020:

Category	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	19/20 FY Average
Inspections	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	92%	100%	
Emergency Preparedness	100%	100%	50%	33%	50%	100%	0%	0%	0%	0%	0%	100%	
Registers & Plan Reviews	67%	100%	100%	100%	100%	50%	75%	80%	100%	75%	75%	75%	
Communication Meetings & Reports	100%	100%	100%	100%	100%	100%	80%	100%	100%	100%	100%	100%	
Equipment Checks			67%		0%		0%	100%	100%	0%	77%	0%	
Average compliance	89%	100%	83%	83%	70%	88%	51%	76%	80%	55%	69%	75%	77%

## Local Nuisance and Litter Control

Council has no report to make pursuant to Section 8 of the *Local Nuisance and Litter Control Act 2016* for the 2019-2020 reporting year.

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## STAFF

### Administration

Chief Executive Officer	Eric Brown
Director – Finance and Administration	Megan Dixon
Rates and Payroll Officer	Rhonda Rees
Executive Assistant	Angie Finlay
Administration Officer	Patricia Robinson
Drought & Grants Support Officer	Kathy Diener

### Flinders Ranges Visitor Information Centre (FRVIC)

FRVIC Co-ordinator	Jillian Wilson
Tourism Officers (Casual & part-time)	Liz Collins
	Senga Reed
	Tarla Kramer

### Operations

Director – Works	Michael Burchell-Burger
General Inspector	Dean Brooksby
Administration Officer – Works	Vanessa Clancy
Team Leader (Acting) – Works Construction	Mark Finlay
Team Leader (Acting) – Parks, Gardens & Facilities	Nigel Crisp
Plant Operators / Maintenance Workers	Victor Clark
	Roger Flavel
	Danny Martin
	Brody Hilder
	Doug Francis
	Nicholas Brown
Cleaners	Rosalie French
	Allyson Crocket
	Shane Grivell

### Contract Staff

Planning Consultant	Yantel Burns (PACC)
Building Consultant	Nick Heron (PACC) / Harmer CLG
EHO – Food Safety	Brian Sickles (PPRC)
EHO – CWMS	Brian Sickles (PPRC)
CWMS Technical	Chris Brideson
WHS	James Holmes (PACC)/Jennifer Window (DCP)
Trainees	Kirby Coulthard, Elizabeth Britza
Legal Advisors	Norman Waterhouse, Kelledy Jones Lawyers
Auditor	Galpins Accountants, Auditors & Business Consultants
Insurers	Local Government Risk Services

### Seasonal Staff

Pool Coordinator (Oct – Mar)	Andrea McCallum
Pool Supervisors (Oct – Mar)	Tayla Finlay, Barry Moody, Jade Wastell-Stevens, Jacquarra Chapman, Georgina Smulders, Chloe Hilder, Elizabeth Britza, Kiera Pyman, Kirby Coulthard



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### **Senior Officers (included above)**

The Chief Executive Officer is paid to compensate for time worked outside normal office hours. Council also provides a mobile phone and professional membership allowance.

The Director – Works is paid to compensate for time worked outside normal office hours. Council also provides a work telephone.

The Director – Finance and Administration is paid to compensate for time worked outside normal office hours. Council also provides a mobile phone subsidy.

A vehicle for full private use is provided to all the above senior officers.

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## OTHER

### Registers

- Members Register of Interest
- Staff Register of Interest
- Members Allowances and Benefits
- Staff Allowances and Benefits
- Campaign Donations (elected members)
- Assessment Book
- Asset Register
- Signs
- Grids
- Development Approvals
- Loans
- Licences / Leases / Permits
- Various WHS
- Contractors
- Insurance
- Requests
- Complaints
- Community Lands.

### Governance and Community Development

Council has continued its membership of the Legatus Group (Central Local Government Region) and participated in the regional activities of that organisation.

During the year Council was a member of Regional Development Australia Far North.

Council was also a member of the Flinders Shared Services Group, together with the District Councils of Mount Remarkable, Ororoo Carrieton and Peterborough.

### Distribution of Information


Council continues to communicate with its residents by regular distribution of newsletters and placement of information notices in local newspapers. Council's website is continuing to be further enhanced for the distribution of information. Council continued to provide information via it's Facebook page during the year.

Council distributes a monthly Newsletter to all residents via an unaddressed mail out and is available on Councils Website [www.frc.sa.gov.au](http://www.frc.sa.gov.au)

### 2020 Australia Day Awards

The following 2020 Australia Day Awards were made by Council:

Citizen of the Year	Modris Ozolins
Young Citizen of the Year	No Nominations
Community Event of the Year	Quorn 100 Show

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## COUNCIL COMMITTEES AND DELEGATES

### Council Committees

#### Statutory / Management Committees (appointed by Council)

Audit Committee (Sec 126 *Local Government Act 1999*)  
 Flinders Regional Development Assessment Panel (Sec 34 *Development Act 1993*)  
 Flinders Regional Assessment Panel (Sec 84 *Planning Development & Infrastructure Act 2016*)  
 Flinders Ranges Visitor Information Centre Management Committee (Sec 41 *LG Act*)  
 The Flinders Ranges Council Building Fire Safety Committee (Sec 71 *D Act 1993*)

#### Reference Committees (appointed by Council)

Swimming Pool Reference Committee  
 Little Corella Control Reference Committee  
 Signage Reference Committee  
 Policy Review Reference Committee  
 Works Review Reference Committee  
 Streetscape and Public Arts Reference Committee  
 Chief Executive Officer Performance Review Committee  
 Quorn and District Local Heritage Group Reference Committee  
 The Flinders Ranges Visitor Information Centre Management Committee

#### Operational Committees (appointed by Chief Executive Officer)

Senior Leadership Team  
 Enterprise Bargaining Committee  
 WHS Committee  
 Community Emergency Risk Management Committee

### Council Delegates

Council Members, staff and residents represent Council on the following committees:


Legatus Group  
 Flinders Ranges Tourism Operators Association  
 Flinders Ranges & Outback South Australian Tourism  
 Hawker Area School Governing Council  
 Hawker Community Development Board  
 Hawker Country Fire Service  
 Hawker School / Community Library Board  
 Hawker Community Sporting Centre  
 Hawker Health Advisory Council  
 Local Government Association of South Australia  
 Local Government Finance Association of South Australia  
 Local Government System Incorporated  
 Northern Passenger Transport Network  
 Quorn Agricultural Show Society  
 Quorn Country Fire Service  
 Quorn Health Advisory Council  
 Quorn State Emergency Services  
 Quorn School / Community Library Board  
 Quorn Local History Group  
 Region 4 Bushfire Management Committee  
 Regional Coordination Network – Far North  
 Regional Development Australia Far North  
 Wirreanda Cottages

## Zone Emergency Management Committee – Far North

### Policies

The *Local Government Act 1999* requires Councils to have in place certain policies. Listed below are the various policies or codes either required by the *Local Government Act 1999* or other Acts or agreed to by Council:

Number	Policy Title	Version	Issue Date	Last Review Date
G1.1	Safe Environment	3	July 2012	July 2018
G1.2	Code of Conduct for Elected Members – published by Minister		August 2013	Statutory
G1.3	Training and Development for Elected Members	2	February 2015	September 2017
G1.4	Elected Members' Allowances and Benefits	3	July 2012	September 2017
G1.5	Elected member Conduct – Complaint Handling	3	July 2012	September 2017
G1.6	Code of Conduct for Employees	2.1	May 2018	July 2018
G1.7	Information Privacy	3	July 2012	July 2018
G1.8	Code of Practice – Access to Council Meetings and Documents	2.	July 2012	July 2018
G1.9	Public Consultation	4	July 2012	September 2017
G1.10	Internal Control	2	July 2012	January 2018
G1.11	Order Making	3.1	July 2012	December 2018
G1.12	Work Health and Safety and Injury Management (LGAWCS)	2.1	July 2012	June 2019
G1.13	Internal Review of Council Decisions	3	July 2012	December 2016
G1.14	Whistleblowers Protection	3	July 2012	September 2017
G1.15	Records Management Procedure	3.1	July 2012	December 2018
G1.16	Copyright Infringement	2	July 2012	January 2018
G1.17	Selection of Road and Public Place Names	3	July 2012	July 2018
G1.18	Fraud and Corruption Prevention	2	July 2012	September 2017
G1.19	Asset Management	21	July 2012	June 2019
G1.20	Customer Service Goals	3	July 2012	August 2017
G1.21	Accounting for Assets	3.1	July 2012	June 2019
G1.22	Risk Management	3.1	August 2013	June 2019
G1.23	Customer Complaints	4.1	March 2015	June 2017
G1.24	Caretaker Policy	3.1	June 2010	June 2019
G1.25	Procurement and Disposal Policy	6.1	August 2013	March 2019
G1.26	Treasury Management	5.1	May 2013	June 2019
G1.27	Social Media	2	August 2013	March 2016
G1.28	Rating and Rate Rebate	11	July 2009	June 2019
G1.29	Prudential Management	2.1	January 2014	June 2019
G1.30	Building Inspection	2.1	October 2014	December 2019
G1.31	Management of Stormwater Across Footpaths	1.1	December 2015	June 2019
G1.32	Code of Conduct Volunteers	2.1	October 2014	December 2018
G1.33	Public Question Time	2	December 2014	February 2017
G1.34	Code of Practice – Meeting Procedure	1	March 2015	September 2017
G1.35	Council Resources for Emergency Response	1.1	August 2016	June 2019
G1.36	Tree Management	1.1	December 2015	June 2019
G1.37	Closed Circuit Television and Security Camera	1.1	March 2016	June 2019
G1.38	Informal Gatherings	2	July 2016	December 2016
G1.39	CWMS Hardship Policy & Customer Service Charter	1.1	July 2016	June 2019
G1.40	Liquor Licensing	1	December 2016	February 2017
G1.41	Memorials	1	December 2016	February 2017
G1.42	Road Opening and Closing	1	December 2016	February 2017
G1.43	Investments Incentives	1	June 2017	August 2017
G1.44	Community EFTPOS Facility	1	July 2017	October 2017
G1.45	Mobile Food Vendors	1	November 2017	January 2018
G1.46	Parking Control	1	February 2018	May 2018
G1.47	Community Grants	1	September 2018	October 2018
G1.48	Employee Assistance Program	1	September 2018	December 2018
G1.50	Cemetery	1	August 2018	December 2018
G1.51	Public Interest Disclosure Policy	1	June 2019	

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All policies can be viewed at the Quorn Council Office, Monday to Friday between the hours of 9:00 am and 5:00 pm or all are available on Council's website [www.frc.sa.gov.au](http://www.frc.sa.gov.au) for download.

## Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. The delegations reviewed annually by Council. Council cannot delegate to staff various functions as outlined in Section 44(3)(a) and (k) of the *Local Government Act 1999*.

Delegations as at 30 June 2020 were:

<i>Burial and Cremation Act 2013</i>	Eric Brown
<i>Community Titles Act 1996</i>	Mike Burchell-Burger
<i>Development Act 1993</i>	Eric Brown
	Megan Dixon
	Eric Brown
	Yantel Burns
	Nick Heron
	Peter Harmer
<i>Dog and Cat Management Act 1995</i>	Eric Brown
	Mike Burchell-Burger
	Dean Brooksby
	Daniel Martin
	Mark Finlay
	Roger Flavel
<i>Environment Protection Act 1993</i>	Eric Brown
<i>Expiation of Offences Act 1996</i>	Mike Burchell-Burger
	Eric Brown
	Mike Burchell-Burger
	Megan Dixon
	Dean Brooksby
<i>Fences Act 1975</i>	Brian Sickles
	Eric Brown
<i>Fire and Emergency Services Act 2005</i>	Mike Burchell-Burger
	Eric Brown
	Mark Finlay
	Dean Brooksby
<i>Food Act 2001</i>	Eric Brown
	Brian Sickles
<i>Freedom of Information Act 1991</i>	Eric Brown
<i>Graffiti Control Act 2001</i>	Angie Finlay
	Eric Brown
	Megan Dixon
	Dean Brooksby
<i>Heavy Vehicle National Law (SA) Act 2013</i>	Eric Brown
<i>Housing Improvement Act 1940</i>	Mike Burchell-Burger
	Eric Brown
	Megan Dixon
<i>Impounding Act 1920</i>	Eric Brown
	Megan Dixon
	Dean Brooksby

	<p style="text-align: center;"><b>GOVERNANCE</b></p> <p style="text-align: center;"><b>ANNUAL REPORT</b></p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>10 October 2009 November 2019 November 2020 18.68.1.1</p>
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<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Eric Brown Megan Dixon
<i>Liquor Licensing Act 1997</i>	Eric Brown Megan Dixon
<i>Local Government Act 1999</i>	Eric Brown Megan Dixon Dean Brooksby Brian Sickles
<i>Local Nuisance and Litter Control Act 2016</i>	Eric Brown Mike Burchell-Burger Dean Brooksby
<i>Natural Resources Management Act 2004</i>	Eric Brown Mike Burchell-Burger
<i>Private Parking Areas Act 1986</i>	Eric Brown Megan Dixon Dean Brooksby
<i>Real Property Act 1886</i>	Eric Brown Megan Dixon
<i>Roads (Opening and Closing) Act 1991</i>	Eric Brown Mike Burchell-Burger Mark Finlay
<i>Road Traffic Act 1961</i>	Eric Brown Megan Dixon
<i>Safe Drinking Water Act 2012</i>	Eric Brown Brian Sickles
<i>South Australian Public Health Act 2011</i>	Eric Brown Brian Sickles
<i>Strata Titles Act 1988</i>	Eric Brown Megan Dixon
<i>Supported Residential Facilities Act 1992</i>	Eric Brown Megan Dixon
<i>Unclaimed Goods Act 1987</i>	Eric Brown Megan Dixon
<i>Water Industry Act 2012</i>	Eric Brown Mike Burchell-Burger Brian Sickles
<i>Work Health and Safety Act 2012</i>	Eric Brown Mike Burchell-Burger James Holmes Daniel Martin Jillian Wilson Nigel Crisp



# The Flinders Ranges Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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*Our community shares a deep respect for the Flinders Ranges region, history and people, and a commitment to its social, economic and environmental sustainability for both current and future generations.*

*Together the people and places that comprise the Flinders Ranges community make this a great place to live, raise a family, conduct business, visit and stay a while.*



# The Flinders Ranges Council

## General Purpose Financial Statements for the year ended 30 June 2020

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## The Flinders Ranges Council

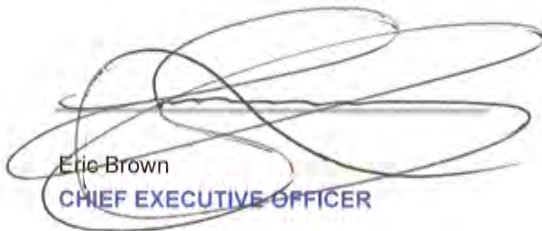
### General Purpose Financial Statements for the year ended 30 June 2020

### Certification of Financial Statements

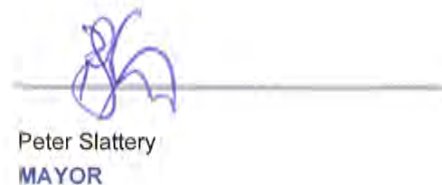
**We have been authorised by the Council to certify the financial statements in their final form.**

**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.



Eric Brown  
CHIEF EXECUTIVE OFFICER



Peter Slattery  
MAYOR

**Date: 17 November 2020**

# The Flinders Ranges Council

## General Purpose Financial Statements for the year ended 30 June 2020

### Understanding Council's Financial Statements

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#### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

#### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

#### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

##### **1. A Statement of Comprehensive Income**

A summary of Council's financial performance for the year, listing all income & expenses.

##### **2. A Balance Sheet**

A 30 June snapshot of Council's financial position including its assets & liabilities.

##### **3. A Statement of Changes in Equity**

The overall change for the year (in dollars) of Council's "net wealth".

##### **4. A Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent.

#### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

#### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

#### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

#### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

#### More information...

A 5 year snapshot of Council's key financial figures can be found at Note 26 of the Financial Statements.

## The Flinders Ranges Council

## Statement of Comprehensive Income

for the year ended 30 June 2020

\$	Notes	2020	2019
<b>Income</b>			
Rates	2a	2,378,502	2,329,553
Statutory Charges	2b	34,890	31,119
User Charges	2c	76,955	107,185
Grants, Subsidies and Contributions	2g	2,695,001	1,887,076
Investment Income	2d	40,755	85,174
Reimbursements	2e	143,668	60,297
Other Income	2f	371,988	484,521
<b>Total Income</b>		<b>5,741,759</b>	<b>4,984,925</b>
<b>Expenses</b>			
Employee Costs	3a	1,334,630	1,472,881
Materials, Contracts & Other Expenses	3b	3,220,831	2,841,607
Depreciation, Amortisation & Impairment	3c	1,528,517	1,511,060
Finance Costs	3d	17,381	65,510
<b>Total Expenses</b>		<b>6,101,359</b>	<b>5,891,058</b>
<b>Operating Surplus / (Deficit)</b>		<b>(359,600)</b>	<b>(906,133)</b>
Asset Disposal & Fair Value Adjustments	4	-	45,042
Amounts Received Specifically for New or Upgraded Assets	2g	466,744	371,514
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>107,144</b>	<b>(489,577)</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Nil			
<i>Amounts which will be reclassified subsequently to operating result</i>			
Nil			
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>107,144</b>	<b>(489,577)</b>
<b>AASB1004 Recognition</b>			
Fin. Assistance Grants & Supp. Road Funding Received in Advance	2ga, 8aa	(100,088)	279,275
<b>Operating Surplus / (Deficit) adjusted for AASB1004</b>		<b>(459,688)</b>	<b>(626,858)</b>
<b>Total Comprehensive Income after AASB1004</b>		<b>7,056</b>	<b>(210,302)</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

## The Flinders Ranges Council

## Statement of Financial Position

as at 30 June 2020

\$	Notes	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	2,494,928	3,327,155
Trade & Other Receivables	5b	803,747	623,682
Inventories	5c	230,596	355,813
<b>Total Current Assets</b>		<b>3,529,271</b>	<b>4,306,650</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	25,232	30,193
Infrastructure, Property, Plant & Equipment	7a	52,826,027	53,076,375
Other Non-Current Assets	6b	610,075	305,613
<b>Total Non-Current Assets</b>		<b>53,461,334</b>	<b>53,412,181</b>
<b>TOTAL ASSETS</b>		<b>56,990,605</b>	<b>57,718,831</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	1,722,468	1,616,340
Borrowings	8b	44,843	869,356
Provisions	8c	654,777	858,594
<b>Total Current Liabilities</b>		<b>2,422,088</b>	<b>3,344,290</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	207,384	134,730
Provisions	8c	44,095	29,917
<b>Total Non-Current Liabilities</b>		<b>251,479</b>	<b>164,647</b>
<b>TOTAL LIABILITIES</b>		<b>2,673,567</b>	<b>3,508,937</b>
<b>Net Assets</b>		<b>54,317,038</b>	<b>54,209,894</b>
<b>EQUITY</b>			
Accumulated Surplus		16,598,993	15,571,499
Asset Revaluation Reserves	9a	35,764,708	35,764,708
Other Reserves	9b	1,953,337	2,873,687
<b>Total Council Equity</b>		<b>54,317,038</b>	<b>54,209,894</b>

## The Flinders Ranges Council

Statement of Changes in Equity  
for the year ended 30 June 2020

		Asset		
\$	Notes	Accumulated Surplus	Revaluation Reserve	Other Reserves
				Total Equity
<b>2020</b>				
<b>Balance at the end of previous reporting period</b>		15,571,499	35,764,708	2,873,687
<b>Net Surplus / (Deficit) for Year</b>		107,144	-	-
<b>Total Comprehensive Income</b>		<b>107,144</b>	<b>-</b>	<b>-</b>
Transfers between Reserves		920,350	-	(920,350)
<b>Balance at the end of period</b>		<b>16,598,993</b>	<b>35,764,708</b>	<b>1,953,337</b>
<b>2019</b>				
<b>Balance at the end of previous reporting period</b>		15,902,633	35,764,708	3,032,130
<b>Net Surplus / (Deficit) for Year</b>		(489,577)	-	-
<b>Total Comprehensive Income</b>		<b>(489,577)</b>	<b>-</b>	<b>(489,577)</b>
Transfers between Reserves		158,443	-	(158,443)
<b>Balance at the end of period</b>		<b>15,571,499</b>	<b>35,764,708</b>	<b>2,873,687</b>



## The Flinders Ranges Council

## Statement of Cash Flows

for the year ended 30 June 2020

\$	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Operating Receipts		6,065,166	5,355,779
Investment Receipts		40,755	85,174
<b><u>Payments</u></b>			
Operating Payments to Suppliers and Employees		(5,041,381)	(4,384,610)
Finance Payments		(32,958)	(66,834)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>1,031,582</b>	<b>989,509</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		466,744	371,514
Sale of Replaced Assets		-	114,864
Repayments of Loans by Community Groups		4,747	4,542
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(591,822)	(270,951)
Expenditure on New/Upgraded Assets		(844,362)	(1,042,934)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(964,693)</b>	<b>(822,965)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Borrowings		-	120,000
<b><u>Payments</u></b>			
Repayments of Borrowings		(869,356)	(219,221)
Repayment of Lease Liabilities		(29,760)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(899,116)</b>	<b>(99,221)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(832,227)</b>	<b>67,323</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>3,327,155</b>	<b>3,259,832</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>2,494,928</b>	<b>3,327,155</b>

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

## Note 1. Summary of Significant Accounting Policies

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

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) 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* dated 17 November 2020.

#### 1.1 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 these Notes.

#### 1.2 Rounding

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

### 2 The Local Government Reporting Entity

The Flinders Ranges Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 1 Seventh Street, Quorn SA 5433. These consolidated financial statements include the Council's direct operations

and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

### 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.

Grants Commission funds received in June for the next financial year have been consistently shown as income received in advance in the Financial Reports. Therefore, neither the Financial Reports nor the Budget variances are distorted.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

#### 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 forms part of Note 13.

#### 5 Inventories

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

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

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

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

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given 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	\$10,000
Park & Playground Furniture & Equipment	\$5,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

These thresholds were last reviewed in July 2018 and are contained with the Council Policy 'Accounting for Assets'.

##### 6.3 Subsequent Recognition

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

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

##### 6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are listed below. 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.

##### *Plant, Furniture & Equipment*

Office Equipment	3 to 15 years
Office Furniture	4 to 15 years
Vehicles and Road-making Equip	2 to 15 years
Other Plant & Equipment	5 to 50 years

##### *Building & Other Structures*

Buildings – masonry	25 to 100 years
Buildings – other construction	25 to 100 years
Buildings – Heritage listed s/structure	to 160 years
Park Structures – masonry	25 to 100 years
Park Structures – other construction	25 to 100 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

##### *Infrastructure*

Sealed Roads – Surface	15 years
Sealed Roads – Structure	120 years
Unsealed Roads	Not Depreciated (Interpretation 1055)
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	20 to 80 years
Drains	80 years
Culverts	60 years
Flood Control Structures	50 to 80 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	50 to 80 years
Reticulation Pipes – other	25 to 75 years
Effluent Lagoons	80 years

##### *Other Assets*

Library Books	10 to 15 years
Artworks	indefinite

##### 6.5 Impairment

For assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

##### 6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

##### 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.

###### 8.2 Payments Received in Advance & Deposits

Amounts other than grants 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.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

##### 8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings 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 oncosts) 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 oncosts) 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.

Council does not make payment for untaken sick leave.

###### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. 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 18.

Council also makes contributions to other superannuation schemes selected by employees under the 'choice of funds' legislation.

##### 10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

##### 11 Leases

###### Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### 11.1 Council as a lessee

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

###### i.) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter



## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

of the lease term and the estimated useful lives of the assets, as follows:

Buildings	10 years
-----------	----------

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

#### ii.) Lease Liabilities

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

#### 12 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### 13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128.

#### 14 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.

#### 15 New and amended accounting standards and interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The Flinders Ranges Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

#### **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



## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies.

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.

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. This practice was consistent with the approach previously taken by Council.

#### Adoption of AASB 16 Leases (AASB 16)

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease* and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model.

The Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

Assets	\$'000
Right of Use Asset	
- building	427
Total assets	<b>427</b>
<b>Liabilities</b>	
Lease liabilities	427
Total liabilities	<b>427</b>
<b>Accumulated Surplus</b>	-

#### Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

##### Effective for NFP annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

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

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

- Decrease of approx.. \$27,000 in rates income due to the moratorium on fines and interest put in place by Council.
- Increased operational costs associated with employee time dealing with COVID-19 of approximately \$30,000
- Increased operational costs associated with additional cleaning of public facilities of approx.. \$30,000
- Decreased travel and accommodation costs of approx.. \$7,000
- Job Keeper payments received in relation to trainees of approx.. \$25,000
- A reduction in income of approx.. \$60,000 and a reduction in operating expenditure of \$113,000 (compared to 2018/2019) associated with the operation of the Visitor Information Centre which was closed to the public for an extended period of time.

Council estimates that the reduction in revenue and increase in expenditure has resulted in a non-material change in the operating surplus for the reporting period. It is expected that further financial impacts, though not significant, will flow into the 2020/2021 financial year.

Council has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

#### 16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### 17 COVID-19

The COVID-19 pandemic has impacted the 2019/2020 financial statements, which may impact on the comparability of some line items and amounts reported in this financial report.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

The impacts on the Council's financial performance and financial position are outlined below:-

#### 18 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 2. Income

\$	Notes	2020	2019
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		1,924,607	1,873,198
Less: Mandatory Rebates		(89,956)	(86,808)
<b>Total General Rates</b>		<b>1,834,651</b>	<b>1,786,390</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		45,422	44,690
Waste Collection		237,981	229,435
Community Wastewater Management Systems		240,800	243,530
<b>Total Other Rates</b>		<b>524,203</b>	<b>517,655</b>
<b>Other Charges</b>			
Penalties for Late Payment		26,968	25,508
<b>Total Other Charges</b>		<b>26,968</b>	<b>25,508</b>
Less: Discretionary Rebates, Remissions & Write Offs		(7,320)	-
<b>Total Rates Revenues</b>		<b>2,378,502</b>	<b>2,329,553</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		15,782	11,299
Animal Registration Fees & Fines		14,985	16,672
Environmental Control Fines		-	210
Other Licences, Fees & Fines		4,123	2,938
<b>Total Statutory Charges</b>		<b>34,890</b>	<b>31,119</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		15,471	16,766
Hall & Equipment Hire		3,393	8,616
Sundry		1,465	8,061
Swimming Pools		28,185	36,922
Community Bus Hire		4,513	4,788
Waste Management		16,952	18,573
Airport Fees		5,758	2,099
Film Industry Support		-	1,522
Marathon Entry Fees		1,218	9,838
<b>Total User Charges</b>		<b>76,955</b>	<b>107,185</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 2. Income (continued)

\$	Notes	2020	2019
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		38,702	82,954
- Banks & Other		612	572
- Loans to Community Groups		1,441	1,648
<b>Total Investment Income</b>		<b>40,755</b>	<b>85,174</b>
<b>(e). Reimbursements</b>			
Private Works		2,333	4,178
NRWMF Legal Fees, Ballot & Study		87,640	-
Shared Services Fees		27,181	18,246
Recreation & Sport - Oval		7,033	7,270
Other		19,481	30,603
<b>Total Reimbursements</b>		<b>143,668</b>	<b>60,297</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		6,556	59,163
Rebates & Incentives Received		39,854	39,371
Sundry		10,799	12,728
Commercial Income		47,074	37,748
Donations		5,736	10,710
Outback Community Authority		31,243	21,441
FRVIC		210,077	270,359
Warren's Gorge		18,388	21,092
NRWMF		-	11,000
Other		2,264	909
<b>Total Other Income</b>		<b>371,988</b>	<b>484,521</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		466,744	371,514
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>466,744</b>	<b>371,514</b>
Other Grants, Subsidies and Contributions		46,287	249,772
Untied - Financial Assistance Grant		1,482,748	1,479,671
Drought Communities Extension Grant		1,000,000	-
Sundry		15,833	7,500
Individually Significant Item - Additional Grants Commission Payment (Roads)		150,133	150,133
<b>Total Other Grants, Subsidies and Contributions</b>		<b>2,695,001</b>	<b>1,887,076</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>3,161,745</b>	<b>2,258,590</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 2. Income (continued)

\$	Notes	2020	2019
(ga). AASB1004 Recognition - Grants, Subsidies, Contribution			
Other Grants, Subsidies and Contributions - AASB1004 adjustment		(100,088)	279,275
<b>Total Grants, Subsidies, Contributions - AASB1004 adjustments</b>		<b>(100,088)</b>	<b>279,275</b>
<b>AASB1004 adjusted Total Grants, Subsidies, Contributions</b>		<b>3,061,657</b>	<b>2,537,865</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		3,107,056	2,138,790
State Government		5,239	116,801
Other		49,450	2,999
<b>Total</b>		<b>3,161,745</b>	<b>2,258,590</b>
<b>AASB1004 adjusted Sources of grants</b>			
Commonwealth Government		3,006,968	2,418,065
State Government		5,239	116,801
Other		49,450	3,000
<b>Total</b>		<b>3,061,657</b>	<b>2,537,865</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 2. Income (continued)

\$	Notes	2020	2019
<b>(h). Conditions over Grants &amp; Contributions</b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		27,546	219,708
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Heritage & Cultural Services		(7,546)	(59,270)
Sporting & Recreation Services		-	(160,438)
<b>Subtotal</b>		<b>(7,546)</b>	<b>(219,708)</b>
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Heritage & Cultural Services		-	7,546
Medical Workforce		-	20,000
<b>Subtotal</b>		<b>-</b>	<b>27,546</b>
<b>Unexpended at the close of this reporting period</b>		<b>20,000</b>	<b>27,546</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>(7,546)</b>	<b>(192,162)</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 3. Expenses

\$	Notes	2020	2019
<b>(a). Employee Costs</b>			
Salaries and Wages		1,147,060	1,266,302
Employee Leave Expense		75,875	101,317
Superannuation - Defined Contribution Plan Contributions	18	138,102	113,721
Less: Capitalised and Distributed Costs		(26,407)	(8,459)
<b>Total Operating Employee Costs</b>		<b>1,334,630</b>	<b>1,472,881</b>
Total Number of Employees (full time equivalent at end of reporting period)		19	19
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		23,563	23,190
Elected Members' Expenses		95,893	91,333
Election Expenses		515	13,009
<b>Subtotal - Prescribed Expenses</b>		<b>119,971</b>	<b>127,532</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		1,374,634	1,015,530
Energy - Fuel & Power		99,702	77,581
Plant and Equipment Capital Purchases		64,212	308,078
Legal Expenses		115,870	11,020
Levies Paid to Government - NRM levy		45,611	44,412
Levies - Other		2,827	4,613
Parts, Accessories & Consumables		27,394	40,533
Professional Services		42,394	27,824
Sundry		450,959	439,361
Waste Management		230,625	221,126
Insurance		237,931	177,371
Vehicle Maintenance		75,394	53,274
FBT		24,419	21,971
FRVIC		177,810	305,120
Workers Compensation Insurance		49,688	60,002
LG Systems Contract		29,500	44,250
Rubble / Crushed Rock		594	810
Infrastructure Construction & Maintenance		762,643	1,150,066
CWMS		27,195	73,568
Land & Building Purchase, Construction & Upgrades		260,459	87,110
Water		73,447	71,661
Drought Rates Relief		14,866	-
Less: Capitalised and Distributed Costs		(1,087,314)	(1,521,206)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>3,100,860</b>	<b>2,714,075</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>3,220,831</b>	<b>2,841,607</b>



## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 3. Expenses (continued)

\$	Notes	2020	2019
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings		724,284	743,312
Infrastructure		519,022	520,285
CWMS		72,354	72,354
Right-of-Use Assets - Buildings		29,289	-
Plant & Equipment		137,009	140,924
Furniture & Fittings		46,559	34,185
<b>Subtotal</b>		<b>1,528,517</b>	<b>1,511,060</b>
<b>(d). Finance Costs</b>			
Interest on Overdraft and Short-Term Drawdown		2	-
Interest on Loans		16,569	65,510
Interest on Leases		810	-
<b>Total Finance Costs</b>		<b>17,381</b>	<b>65,510</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 4. Asset Disposal &amp; Fair Value Adjustments

\$	Notes	2020	2019
Infrastructure, Property, Plant & Equipment			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		-	114,864
Less: Carrying Amount of Assets Sold		-	(69,822)
<b>Gain (Loss) on Disposal</b>		<b>-</b>	<b>45,042</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>-</b>	<b>45,042</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 5. Current Assets

\$	Notes	2020	2019
<b>(a). Cash &amp; Cash Equivalent Assets</b>			
Cash on Hand at Bank		278,724	18,082
Deposits at Call		716,204	309,073
Short Term Deposits & Bills, etc.		1,500,000	3,000,000
<b>Total Cash &amp; Cash Equivalent Assets</b>		<b>2,494,928</b>	<b>3,327,155</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		386,342	357,554
Accrued Interest		1,515	18,099
Debtors - General		137,793	99,690
Prepayments		5,665	4,758
Loans to Community Organisations		4,960	4,747
Accrued Income - ATO		8,271	4,272
Accrued Income - Grants		259,201	134,562
<b>Total Trade &amp; Other Receivables</b>		<b>803,747</b>	<b>623,682</b>
<b>(c). Inventories</b>			
Stores & Materials		192,125	312,990
Trading Stock		38,471	42,823
<b>Total Inventories</b>		<b>230,596</b>	<b>355,813</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 6. Non-Current Assets

\$	Notes	2020	2019
(a). Financial Assets			
<b>Receivables</b>			
Loans to Community Organisations		25,232	30,193
<b>Total Receivables</b>		<b>25,232</b>	<b>30,193</b>
<b>Total Financial Assets</b>		<b>25,232</b>	<b>30,193</b>
(b). Other Non-Current Assets			
<b>Other</b>			
Capital Works-in-Progress		610,075	305,613
<b>Total Other</b>		<b>610,075</b>	<b>305,613</b>
<b>Total Other Non-Current Assets</b>		<b>610,075</b>	<b>305,613</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

Note 7a. Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2019				Asset Movements during the Reporting Period					as at 30/6/2020			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Transition adjustment - AASB 16	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
							New / Upgrade	Renewals						
Land	2	1,641,465	-	-	1,641,465	-	74,136	-	-	-	1,641,465	74,136	-	1,715,601
Land	3	1,207,899	-	-	1,207,899	-	-	-	-	-	1,207,899	-	-	1,207,899
Buildings	3	28,673,188	639,947	16,935,236	12,377,899	-	739,615	253,759	-	(724,284)	28,673,188	1,633,321	17,659,520	12,646,989
Infrastructure	3	39,187,037	1,815,048	7,663,884	33,338,201	-	-	-	-	(519,022)	39,187,037	1,815,048	8,182,906	32,819,179
CWMS	3	4,124,928	-	1,520,495	2,604,433	-	-	-	-	(72,354)	4,124,928	-	1,592,849	2,532,079
Right-of-Use Assets - Buildings		-	-	-	-	146,447	-	-	-	(29,289)	146,447	-	29,289	117,158
Plant & Equipment	3	2,320,155	722,410	1,456,025	1,586,540	-	30,612	33,600	-	(137,009)	2,320,155	786,621	1,593,034	1,513,742
Furniture & Fittings	3	242,500	230,294	152,855	319,939	-	-	-	-	(46,559)	242,500	230,294	199,414	273,380
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>77,397,172</b>	<b>3,407,699</b>	<b>27,728,495</b>	<b>53,076,375</b>	<b>146,447</b>	<b>844,362</b>	<b>287,359</b>	<b>-</b>	<b>(1,528,517)</b>	<b>77,543,619</b>	<b>4,539,420</b>	<b>29,257,012</b>	<b>52,826,027</b>
<b>Comparatives</b>		77,637,972	1,878,034	26,388,413	53,127,593	-	1,258,718	270,951	(69,822)	(1,511,060)	77,397,172	3,407,699	27,728,495	53,076,376

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

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##### Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### Information on Valuations

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

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.

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.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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#### Valuation of Assets (continued)

##### Other Information

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

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

##### Highest and best use

The following non financial assets of Council are being utilised at other than their 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.

##### Transition to AASB 13 - Fair Value Measurement

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

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.



## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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#### Valuation of Assets (continued)

##### Infrastructure

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Transportation assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Maloney's as at 30 June 2017 at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

##### Community Wastewater Management Systems

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Community wastewater management system infrastructure was valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

##### Plant & Equipment

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Plant & equipment assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

##### Furniture & Fittings

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Furniture & fittings were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

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##### Valuation of Assets (continued)

##### Land, Land Improvements, Buildings & Other Structures

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

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.

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised at written down current replacement cost, deriving from a valuation at 30 June 2017 by Maloney's. Additions are recognised at cost. 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 written down current replacement cost basis, deriving from a valuation at 30 June 2017 by Maloney's. 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) and depreciated over the estimated remaining life of the relevant asset.

Pursuant to Council's election, buildings and other structures are recognised on the written down current replacement cost basis, deriving from the valuation at 30 June 2017 by Maloney's. Additions are recognised at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

##### Minor Plant

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Minor plant assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 8. Liabilities

\$	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		376,940	-	409,930	-
Payments Received in Advance		1,208,681	-	1,065,951	-
Accrued Expenses - Employee Entitlements		43,248	-	40,081	-
Accrued Expenses - Finance Costs		2,068	-	18,456	-
Accrued Expenses - Other		48,728	-	39,441	-
Sec 184 Proceeds Held in Trust		42,803	-	42,481	-
<b>Total Trade and Other Payables</b>		<b>1,722,468</b>	<b>-</b>	<b>1,616,340</b>	<b>-</b>

**(aa). AASB 1004 Recognition - Trade and Other Payables**

Payments Received in Advance - AASB1004 adjustment			
FAGs Received in Advance	(965,863)	(1,065,951)	
<b>Total AASB1004 Adjustments</b>	<b>(965,863)</b>	<b>(1,065,951)</b>	
<b>AASB 1004 Adjusted Trade &amp; Other</b>	<b>756,605</b>	<b>550,389</b>	

The above restatement of Trade and Other Payables has been prepared to demonstrate the effect on the financials had AASB 1004 been applied.

**(b). Borrowings**

Loans		15,724	119,006	869,356	134,730
Lease Liabilities	17	29,119	88,378	-	-
<b>Total Borrowings</b>		<b>44,843</b>	<b>207,384</b>	<b>869,356</b>	<b>134,730</b>

**(c). Provisions**

Employee Entitlements (including oncosts)		203,565	44,095	399,836	29,917
Future Reinstatement / Restoration, etc		431,212	-	431,212	-
Unspent Grants		20,000	-	27,546	-
<b>Total Provisions</b>		<b>654,777</b>	<b>44,095</b>	<b>858,594</b>	<b>29,917</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 9. Reserves

\$	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
<b>(a). Asset Revaluation Reserve</b>					
Buildings	10,593,820	-	-	-	10,593,820
Infrastructure	15,739,843	-	-	-	15,739,843
CWMS	816,063	-	-	-	816,063
Plant & Equipment	(106,236)	-	-	-	(106,236)
Furniture & Fittings	36,278	-	-	-	36,278
Minor Plant	15,926	-	-	-	15,926
Other Assets	8,669,014	-	-	-	8,669,014
<b>Total Asset Revaluation Reserve</b>	<b>35,764,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,764,708</b>
<b>Comparatives</b>	<b>35,764,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,764,708</b>

\$	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
<b>(b). Other Reserves</b>					
NRM Levy	1,752	35	(224)	-	1,563
Land & Buildings	122,493	2,431	(63,554)	-	61,370
Plant Replacement	51,039	1,013	-	-	52,052
Other	1,124,528	23,554	(243,668)	-	904,414
Garbage Service Charge	152,479	3,026	(4,397)	-	151,108
Stormwater Dams	2,042	41	-	-	2,083
Legal Costs	25,104	498	(25,602)	-	0
Community Trust Funds	34,889	3,734	(961)	-	37,662
Hawker CWMS Service Charge	273,968	52,198	-	-	326,166
Quorn CWMS Service Charge	991,873	80,192	(750,000)	-	322,065
Community Buses	51,039	1,013	-	-	52,052
Sec 184 Proceeds	42,481	321	-	-	42,802
<b>Total Other Reserves</b>	<b>2,873,687</b>	<b>168,056</b>	<b>(1,088,406)</b>	<b>-</b>	<b>1,953,337</b>
<b>Comparatives</b>	<b>3,032,130</b>	<b>205,093</b>	<b>(363,536)</b>	<b>-</b>	<b>2,873,687</b>

## PURPOSES OF RESERVES

**Asset Revaluation Reserves**

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

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 10. Assets Subject to Restrictions

\$	Notes	2020	2019
<p>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.</p>			
<b>Cash &amp; Financial Assets</b>			
CWMS Annual Service Charge		648,231	1,265,841
Garbage Annual Service Charge		151,109	152,479
NRM Levy		1,562	1,752
Unexpended Grant funds		20,000	27,546
Employee Entitlements		247,660	429,753
<b>Total Cash &amp; Financial Assets</b>		<b>1,068,562</b>	<b>1,877,371</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>1,068,562</b>	<b>1,877,371</b>
<p>The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance:</p>			
Bank Overdraft	8	-	-
Payables	8	-	-
Borrowings	8	-	-
Provisions	8	247,660	457,299
<b>Total</b>		<b>247,660</b>	<b>457,299</b>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2020	2019
<b>(a). Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	2,494,928	3,327,155
Less: Short-Term Borrowings	8	-	-
<b>Balances per Statement of Cash Flows</b>		<b>2,494,928</b>	<b>3,327,155</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>107,144</b>	<b>(489,577)</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,528,517	1,511,060
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(466,744)	(371,514)
Net (Gain) Loss on Disposals		-	(45,042)
		<b>1,168,917</b>	<b>604,927</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(179,851)	(153,080)
Net (Increase)/Decrease in Inventories		125,217	147,711
Net Increase/(Decrease) in Trade & Other Payables		106,938	623,823
Net Increase/(Decrease) in Unpaid Employee Benefits		(182,093)	(28,148)
Net Increase/(Decrease) in Other Provisions		(7,546)	(205,724)
<b>Net Cash provided by (or used in) operations</b>		<b>1,031,582</b>	<b>989,509</b>

**(c). Financing Arrangements**

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

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	11,000	11,000
LGFA Cash Advance Debenture Facility	1,000,000	1,000,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw down facility, and variable rate borrowings under a cash advance facility, both from the Local Government Finance Authority of South Australia.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$										
Administration	3,174,838	3,137,656	101,593	60,281	3,073,244	3,077,375	1,164,716	1,168,129	-	-
Public Order & Health	959	955	58,730	34,850	(57,771)	(33,896)	-	3,000	-	-
Social Security & Welfare	6,245	24,735	35,052	31,566	(28,807)	(6,831)	1,127	14,700	-	-
Community Amenities	512,691	507,944	892,655	1,110,244	(379,965)	(602,300)	-	-	-	-
Recreation & Culture	147,916	194,964	1,755,066	1,590,292	(1,607,150)	(1,395,328)	51,085	92,944	-	-
Agricultural Services	45,422	47,943	46,473	44,412	(1,051)	3,531	-	-	-	-
Regulatory Services	34,138	33,554	202,257	166,244	(168,119)	(132,690)	-	-	-	-
Transport & Communication	468,165	461,675	1,558,163	1,417,800	(1,089,998)	(956,125)	468,165	461,675	-	-
Economic Development	1,261,952	425,208	893,344	820,138	368,608	(394,930)	1,009,908	136,695	-	-
Not Elsewhere Classified	89,434	150,291	204,374	215,777	(114,940)	(65,486)	-	9,934	-	-
Works Overheads	-	-	353,652	399,452	(353,652)	(399,452)	-	-	-	-
Other Functions/Activities	-	-	-	-	-	-	-	-	56,990,605	57,718,831
<b>Total Functions/Activities</b>	<b>5,741,759</b>	<b>4,984,925</b>	<b>6,101,359</b>	<b>5,891,058</b>	<b>(359,600)</b>	<b>(906,133)</b>	<b>2,695,001</b>	<b>1,887,076</b>	<b>56,990,605</b>	<b>57,718,831</b>

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



## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 12b. Components of Functions

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**The activities relating to Council functions are as follows:**

##### **COUNCIL ADMINISTRATION**

Governance, Administration NEC., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

##### **PUBLIC ORDER & HEALTH**

Immunisation, Fire Protection, Vandalism, ESL, SES/CFS support

##### **SOCIAL SECURITY & WELFARE**

Northern Passenger Transport Scheme, Youth Advisory Council, Youth programs, Community Buses, Aged Homes support, Hospitals support, Community support programs

##### **COMMUNITY AMENITIES**

Waste collection and disposal, Cemeteries/Crematoria, Public Conveniences, Street Cleaning, Heritage Advisor, CWMS

##### **RECREATION & CULTURE**

Parks and Gardens, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation. Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services, Civic & Community Halls

##### **AGRICULTURAL SERVICES**

NRM Levy, Corella Control, Animal & Pest Plant expenditure

##### **REGULATORY SERVICES**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

##### **TRANSPORT & COMMUNICATION**

Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), Drainage, Signs, Guide Posts, Line Marking

##### **ECONOMIC DEVELOPMENT**

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, Other Economic Development, VIC, Art & Craft Shop

##### **NOT ELSEWHERE CLASSIFIED (NEC)**

Airstrips, Shared Services, Advertising Signs, Private Works, Interest, Natural Disaster Mitigation

##### **WORKS - INDIRECT**

Depots, Machinery Maintenance & Operating Costs, Minor Plant, WHS, Signage, Training,

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 13. Financial Instruments

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

Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & Conditions:**

Deposits are returning fixed interest rates between 0.4% and 0.65% (2019: 1.25% and 2.47%). Short term deposits have an average maturity of 34 days and an average interest rate of 0.51% (2019: 82 days and 1.7%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

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

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Secured over the subject land, arrears attract monthly interest of 0.5292% (2019: 0.5500%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

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

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 13. Financial Instruments (continued)

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**Recognised Financial Instruments****Receivables****Other Levels of Government****Accounting Policy:**

Carried at nominal value.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

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

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 13. Financial Instruments (continued)

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**Recognised Financial Instruments****Liabilities****Interest Bearing Borrowings****Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable; interest is charged at fixed rates between 3.49% and 4.45% (2019: 3.49% and 6.65%).

**Carrying Amount:**

Approximates fair value.

**Liabilities****Leases****Accounting Policy:**

Accounted for in accordance with AASB 117.

## The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

## Note 13. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,494,928	-	-	2,494,928	2,494,928
Receivables	411,741	22,176	3,057	436,973	436,973
<b>Total Financial Assets</b>	<b>2,906,669</b>	<b>22,176</b>	<b>3,057</b>	<b>2,931,901</b>	<b>2,931,901</b>

<b>Financial Liabilities</b>					
Payables	513,786	-	-	513,786	513,786
Current Borrowings	15,724	-	-	15,724	15,724
Non-Current Borrowings	-	69,155	49,850	119,006	119,006
Lease Liabilities	29,119	88,378	-	117,497	117,497
<b>Total Financial Liabilities</b>	<b>558,629</b>	<b>157,533</b>	<b>49,850</b>	<b>766,013</b>	<b>766,013</b>

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	3,327,155	-	-	3,327,155	3,327,155
Receivables	261,369	21,221	8,972	291,562	291,562
<b>Total Financial Assets</b>	<b>3,588,524</b>	<b>21,221</b>	<b>8,972</b>	<b>3,618,717</b>	<b>3,618,717</b>

<b>Financial Liabilities</b>					
Payables	550,389	-	-	550,389	550,389
Current Borrowings	869,356	-	-	869,356	869,356
Non-Current Borrowings	-	66,603	68,127	134,730	134,730
<b>Total Financial Liabilities</b>	<b>1,419,745</b>	<b>66,603</b>	<b>68,127</b>	<b>1,554,475</b>	<b>1,554,475</b>

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	3.71%	134,730	6.04%	1,004,086
		<b>134,730</b>		<b>1,004,086</b>

**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.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 13. Financial Instruments (continued)

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##### 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 allowance for doubtful debts. 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.

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 14. Commitments for Expenditure

\$	Notes	2020	2019
Other Expenditure Commitments			
<b>Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		-	20,201
Employee Remuneration Contracts		697,500	1,006,131
		<b>697,500</b>	<b>1,026,332</b>
<b>These expenditures are payable:</b>			
Not later than one year		155,000	388,832
Later than one year and not later than 5 years		542,500	637,500
Later than 5 years		-	-
		<b>697,500</b>	<b>1,026,332</b>



## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$	2020	2020	2019	2018

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

**1. Operating Surplus Ratio**

Operating Surplus	(359,600)	(6%)	(18%)	(20%)
Total Operating Income	5,741,759			

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

**2. Net Financial Liabilities Ratio**

Net Financial Liabilities	(650,341)	(11%)	(9%)	(12%)
Total Operating Income	5,741,759			

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

**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.*

*If other Individually Significant Items are used to adjust the Adjusted Ratios below, details should also be disclosed here. NB: These adjustments should also be disclosed in Note 2(g)(ii) and/or Note 3(b)(vi).*

<b>Adjusted Operating Surplus Ratio</b>	(8%)	(12%)	(19%)
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<b>Adjusted Net Financial Liabilities Ratio</b>	(10%)	(14%)	(12%)
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**3. Asset Renewal Funding Ratio**

Net Asset Renewals	591,822	59%	16%	97%
Infrastructure & Asset Management Plan required expenditure	1,005,900			

*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.*

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 15. Financial Indicators - Graphs (continued)

<div><div>1. Operating Surplus Ratio</div><div><div>Ratio %</div><div><div><div>2015</div><div>2016</div><div>2017</div><div>2018</div><div>2019</div><div>2020</div></div><div><div>-2%</div><div>-10%</div><div>-30%</div><div>-20%</div><div>-18%</div><div>-6%</div></div></div></div></div>	<div><div>Purpose of Operating Surplus Ratio</div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div>	<div><div>2019/20 Ratio</div><div>-6%</div></div>
<div><div>2. Net Financial Liabilities Ratio</div><div><div>Ratio %</div><div><div><div>2015</div><div>2016</div><div>2017</div><div>2018</div><div>2019</div><div>2020</div></div><div><div>-15%</div><div>-14%</div><div>-19%</div><div>-12%</div><div>-9%</div><div>-11%</div></div></div></div></div>	<div><div>Purpose of Net Financial Liabilities Ratio</div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div>	<div><div>2019/20 Ratio</div><div>-11%</div></div>
<div><div>Adjusted Operating Surplus Ratio</div><div><div>Ratio %</div><div><div><div>2015</div><div>2016</div><div>2017</div><div>2018</div><div>2019</div><div>2020</div></div><div><div>13%</div><div>-33%</div><div>-40%</div><div>-19%</div><div>-12%</div><div>-8%</div></div></div></div></div>	<div><div>Purpose of Adjusted Operating Surplus Ratio</div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div>	<div><div>2019/20 Ratio</div><div>-8%</div></div>
<div><div>Adjusted Net Financial Liabilities Ratio</div><div><div>Ratio %</div><div><div><div>2015</div><div>2016</div><div>2017</div><div>2018</div><div>2019</div><div>2020</div></div><div><div>-28%</div><div>5%</div><div>-31%</div><div>-12%</div><div>-14%</div><div>-10%</div></div></div></div></div>	<div><div>Purpose of Adjusted Net Financial Liabilities Ratio</div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div>	<div><div>2019/20 Ratio</div><div>-10%</div></div>
<div><div>3. Asset Renewal Funding Ratio</div><div><div>Ratio %</div><div><div><div>2015</div><div>2016</div><div>2017</div><div>2018</div><div>2019</div><div>2020</div></div><div><div>15%</div><div>30%</div><div>6%</div><div>97%</div><div>16%</div><div>59%</div></div></div></div></div>	<div><div>Purpose of Asset Renewal Funding Ratio</div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div>	<div><div>2019/20 Ratio</div><div>59%</div></div>

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 16. Uniform Presentation of Finances

\$	2020	2019
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	5,741,759	4,984,925
less Expenses	(6,101,359)	(5,891,058)
<b>Operating Surplus / (Deficit)</b>	<b>(359,600)</b>	<b>(906,134)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(591,822)	(270,951)
add back Depreciation, Amortisation and Impairment	1,528,517	1,511,060
add back Proceeds from Sale of Replaced Assets	-	114,864
<b>Subtotal</b>	<b>936,695</b>	<b>1,354,973</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(844,362)	(1,042,934)
add back Amounts Received Specifically for New and Upgraded Assets	466,744	371,514
add back Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	-	-
<b>Subtotal</b>	<b>(377,618)</b>	<b>(671,420)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>199,477</b>	<b>(222,581)</b>

## The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

## Note 17. Leases

\$	2020	2019
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## Council as a Lessee

## Right of use assets

Council has a Shared Use Agreement (Lease) for part of the Quorn Railway Station for the purpose of operating a Visitor Information Centre in conjunction with the Souvenir Shop to support the local tourism industry. The lease commenced July 2014 for a period of 10 years with a right to renew for a further 10 years. At the time of entering into the lease it was determined to be unlikely that the lease extension of 10 years would be taken up by Council.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

	Buildings				Total
	\$	\$	\$	\$	\$
<b>2020</b>					
Adoption of AASB 16 at 1 July 2019	146,447	-	-	-	146,447
Depreciation charge	(29,289)	-	-	-	(29,289)
<b>Balance at 30 June 2020</b>	<b>117,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117,158</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$	2020	2019
<b>Balance at 1 July</b>	146,447	-
Accretion of interest	810	-
Payments	(29,760)	-
<b>Balance at 30 June</b>	<b>117,497</b>	<b>-</b>

## Classified as:

Current	29,119	-
Non Current	88,378	-

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$29,760.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	29,289	-
Interest expense on lease liabilities	810	-
<b>Total amount recognised in profit or loss</b>	<b>30,099</b>	<b>-</b>

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 18. Superannuation

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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 2019/20; 9.50% in 2018/19). 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 Willie 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.

##### **Contributions to Other Superannuation Schemes**

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

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 19. Interests in Other Entities

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Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

#### Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

##### **1. LAND UNDER ROADS**

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

At reporting date, Council controlled 1,262 km of road reserves of average width 8 metres.

##### **2. POTENTIAL INSURANCE LOSSES**

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

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

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

##### **3. BANK GUARANTEES**

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$30,193 (2019: \$34,940) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

##### **4. LEGAL MATTERS**

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 no 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.



## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 22. Events After the Statement of Financial Position Date

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Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 15 September 2020.

Council is aware of the following "non adjusting events" that merit disclosure:

- COVID-19 has been classified as a global pandemic by the World Health Organisation and has developed rapidly in 2020. Measures taken by the Federal and State governments have affected South Australia's economic activity and Council's operations. At this stage, the financial impacts on Council's operations have not been significant and Council does not expect that further financial impacts to flow into the 2020/21 financial year to be significant. We refer to Note 1 providing details of the financial impacts caused by COVID-19.

## The Flinders Ranges Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2020

#### Note 23. Related Party Transactions

\$	2020	2019
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#### Key Management Personnel

##### Key Management Personnel - Compensation

Paragraph 17 of AASB 124 requires Council to disclose all forms of Key Management Personnel compensation that is paid, payable or provided by the council (or on its behalf) in exchange for services rendered. The following table details the number of individual benefits provided by Council to Key Management Personnel and their collective values.

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	476,800	583,588
Post-Employment Benefits	30,975	35,784
Long-Term Benefits	3,849	36,555
Termination Benefits	35,000	-
<b>Total</b>	<b>546,624</b>	<b>655,927</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Of these amounts, \$528,857 has been paid, \$13,917 is payable by Council and \$3,849 has been provided for as at the reporting date. The amounts detailed as "payable" and "provided for" relate entirely to accrued Employee Leave Entitlements as at the reporting date, and are total amounts and not the net movement for the reporting period.

##### Key Management Personnel - Receipts From

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received no amounts (in total) from Key Management Personnel:

##### Parties Related to Key Management Personnel

Paragraph 18 of AASB 124 requires that if Council has had related party transactions during the reporting period, that Council shall disclose the nature of the related party relationship, together with information about those transactions including outstanding balances, commitments and provisions and / or expenses during the reporting period relating to bad or doubtful debts.

Key Management Personnel or close family members lodged a total of zero (0) planning and building application during the reporting period.

One (1) Key Management Personnel were on the Executive of the Pichi Richi Railway Preservation Society Inc. Council collected ticket sale income of \$102,321 for the organisation and paid this to the organisation during the reporting period. \$11,677 remained payable to the organisation by Council at 30 June 2020. Commission received commissions on ticket sales of \$8,653 during the reporting period.

Council paid the organisation for memberships during the reporting period.

Council provided in-kind works and a 100% discretionary rebate of rates to the organisation during the reporting period.

## The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

## Note 23. Related Party Transactions (continued)

\$	2020	2019
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Council leases the Visitor Information Centre from the organisation. Council paid the organisation \$38,694 during the reporting period in respect to lease obligations.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

One (1) Key Management Personnel Chairs the Quorn Men's Shed Association. During the reporting period, Council provided support (materials and catering provisions) to the value of \$2,302. Council also purchased the Land and Buildings associated from Scouts Australia during the reporting period for \$57,950.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

Two (2) Key Management Personnel sit on the Barndioota Consultative Committee established by the Australian Government's Department of Industry, Innovation and Science. Council received six grants under the Department's National Radioactive Waste Management Facility Community Benefit Programme in the past. During the period an amount of \$134,562 was paid to Council as the final grant payments.

One (1) Key Management Personnel is on the Board of the Hawker Community Sports Centre Inc. Council provided the organisation with discretionary rate rebates of \$5,220 during the reporting period. No amounts are outstanding at 30 June 2020.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this. Council provided in-kind works to the organisation during the reporting period.

One (1) Key Management Personnel and a close member of the person's family are involved in a business from which Council made purchases totalling \$7,586 during the reporting period. At 30 June 2020, a balance of \$305 remained payable by Council. Council also sells product of another business operated by this close family member on a commission basis. Sales totalled \$1,821 and commissions of \$165 were received during the reporting period.

Two (2) Key Management Personnel were members of the Board of Regional Development Australia Far North. During the reporting period, Council made payments of \$22,000 to the organisation. As at 30 June 2020, no amounts were outstanding.

One (1) Key Management Personnel is on the Board of Hawker Community Development Board Inc. During the reporting period, Council received \$2,555 from the organisation for cleaning, electricity and freight reimbursements. As at 30 June 2020, an amount of \$358 remained payable to Council by the organisation.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

One (1) Key Management Personnel is on the Board of Wirreanda Cottage. During the reporting period, Council provided the organisation with a \$4,459 discretionary rate rebate. As at 30 June 2020, no amounts were outstanding.

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 24. Reconciliation of Grants Received

	Opening Balance	Movements Received	Expended	Closing Balance
<b>Grants</b>				
<b>General Purpose - Commonwealth</b>				
Grants Commission Grant - General Purpose	-	1,164,716	(1,164,716)	-
Grants Commission Grant - Local Roads	-	318,032	(318,032)	-
Grants Commission Grant - Supplemental Local Roads	-	150,133	(150,133)	-
<b>Total General Purpose Grants</b>	-	<b>1,632,881</b>	<b>(1,632,881)</b>	-
<b>Specific Purpose</b>				
Drought Communities Extension	-	1,000,000	(1,000,000)	-
Libraries	-	2,412	(2,412)	-
Medical Workforce	20,000	-	-	20,000
Craddock Heritage Signs	2,535	-	(2,535)	-
FRRR 500 Miles of Music	3,311	-	(3,311)	-
Craddock Memorial Shelter	-	13,298	(13,298)	-
Quorn and Hawker Walks	-	4,896	(4,896)	-
Quorn Town Hall upgrades	-	32,840	(32,840)	-
Arts SA - Christmas Pageant	1,700	-	(1,700)	-
Waste Management	-	1,127	(1,127)	-
<b>Total Specific Purpose Grants</b>	<b>27,546</b>	<b>1,054,573</b>	<b>(1,062,119)</b>	<b>20,000</b>
<b>Total Other Grants</b>	<b>27,546</b>	<b>2,687,454</b>	<b>(2,695,000)</b>	<b>20,000</b>
<b>Comparatives</b>	-	<b>1,914,622</b>	<b>(1,887,076)</b>	<b>27,546</b>
<b>Grants Specifically for New/Upgraded Assets</b>				
<b>Specific Purpose</b>				
Roads to Recovery	-	456,393	(70,632)	385,761
Hawker Gymnasium	-	10,351	(10,351)	-
<b>Total Grants Specifically for New/Upgraded Assets</b>	-	<b>466,744</b>	<b>(80,983)</b>	<b>385,761</b>
<b>Comparatives</b>	-	<b>371,514</b>	<b>(371,514)</b>	-

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

## Note 26. Financial Commentary &amp; Review

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## Key Financial Figures of Council over the past 5 years

<b>Financial Performance Figures</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Inflows:</b>					
Rates	2,378,502	2,329,553	2,222,028	2,150,716	2,094,411
Statutory Charges	34,890	31,119	49,170	40,791	36,252
User Charges	76,955	107,185	99,868	79,403	83,328
Grants, Subsidies & Contributions	2,695,001	1,887,076	1,655,354	1,495,840	1,584,685
Investment Income	40,755	85,174	82,362	97,668	95,035
Reimbursements	143,668	60,297	33,951	42,220	81,479
Other Income	371,988	484,521	506,397	503,248	386,292
Total Income from Continuing Operations	5,741,759	4,984,925	4,649,130	4,409,886	4,361,481
Sale Proceeds from I,PP&E	466,744	486,378	1,581,024	679,890	1,154,090
New Loan Borrowings & Advances	-	120,000	-	-	-
<b>Outflows:</b>					
Employee Costs	1,334,630	1,472,881	1,520,048	1,665,349	1,232,343
Materials, Contracts & Other Expenses	3,220,831	2,841,607	2,452,630	2,479,601	2,211,089
Depreciation	1,528,517	1,511,060	1,523,742	1,503,145	1,240,615
Finance Costs	17,381	65,510	72,107	83,455	92,840
Total Expenses from Continuing Operations	6,101,359	5,891,058	5,568,526	5,731,550	4,776,887
Total Cash purchases of I,PP&E	(1,436,184)	(1,313,885)	(2,399,427)	(755,168)	(1,766,243)
Total Loan Repayments (incl. Finance Leases)	(899,116)	(219,221)	(203,782)	(195,966)	(158,479)
Operating Surplus/(Deficit) (excl. Capital Income)	(359,600)	(906,133)	(919,396)	(1,321,664)	(415,406)
<b>Financial Position Figures</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current Assets	3,529,271	4,306,650	4,233,753	5,162,601	4,146,966
Current Liabilities	2,422,088	3,344,290	2,296,009	2,778,059	1,682,652
Net Current Assets	1,107,184	962,360	1,937,743	2,384,542	2,464,314
Cash & Investments	2,494,928	3,327,155	3,259,832	4,246,593	3,229,917
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	252,227	1,004,086	1,103,306	1,307,088	1,503,054
Total Value of I,PP&E (excl. Land & Land Imp'ments)	82,083,039	80,804,871	79,516,006	78,011,999	76,293,901
Total Accumulated Depreciation	29,257,012	27,728,495	26,388,413	25,146,413	19,635,998
Indicative Remaining Useful Life (as a % of GBV)	64%	66%	67%	68%	74%

Source: Published audited financial statements of Council (current year &amp; prior year)

## The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020

### Note 27. Council Information & Contact Details

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**Principal Place of Business:**

1 Seventh Street  
QUORN SA 5433

**Contact Details****Mailing Address:**

PO Box 43  
QUORN SA 5433

**Telephone:** 08 8620 0500

**Facsimile:**

**Opening Hours:**

Monday to Friday - 9:00am to 5:00pm  
Saturday & Sunday - Closed  
Public Holidays - Closed

**Internet:** [www.frc.sa.gov.au](http://www.frc.sa.gov.au)

**Email:** [council@frc.sa.gov.au](mailto:council@frc.sa.gov.au)

**Officers****CHIEF EXECUTIVE OFFICER**

Eric Brown

**Elected Members****MAYOR**

Peter Slattery

**AUDITORS**

Galpins, Accountants, Auditors &  
Business Consultants  
PO Box 4067  
NORWOOD SOUTH SA 5067

**COUNCILLORS**

Cr Ken Anderson  
Cr Greg Flint  
Cr Julian Hipwell  
Cr Annie Reubenicht  
Cr Patsy Reynolds  
Cr Andrew Smith  
Cr Steve Taylor  
Cr Kevin Woolford

**Other Information**

**ABN:** 43 952 255 151

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



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Mount Gambier

233 Commercial Street West  
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F: (08) 8724 9553  
E: admin@galpins.com.au

## Stirling

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E: stirling@galpins.com.au

## Norwood

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PO Box 4067, Norwood South SA 5067  
P: (08) 8332 3433  
F: (08) 8332 3466  
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved  
under Professional Standards Legislation

## INDEPENDENT AUDITOR'S REPORT

### To the members of the Flinders Ranges Council

#### Opinion

We have audited the accompanying financial report of the Flinders Ranges Council, which comprises the statement of financial position 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 Council Certificate of the Flinders Ranges Council.

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 Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

#### Basis for Opinion

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

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

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.



## **Auditor's Responsibility for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

## **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

25 / 11 / 2020

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

### To the Members of the Flinders Ranges Council

### Independent Assurance report on the Internal Controls of the Flinders Ranges Council

#### Opinion

We have audited the compliance of the Flinders Ranges Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the Flinders Ranges Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Council's Responsibility for Internal controls

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

#### Our Independence and Quality Control

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to 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 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

**Limitations of Controls**

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

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

**Limitation of Use**

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

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

25 / 11 / 2020

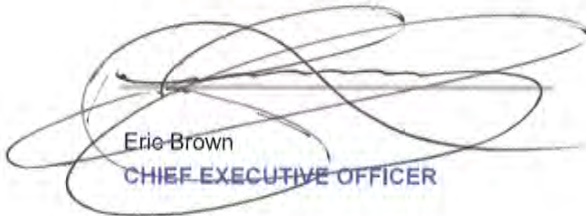
## The Flinders Ranges Council

### General Purpose 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 The Flinders Ranges Council for the year ended 30 June 2020, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants 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*.



Eric Brown  
CHIEF EXECUTIVE OFFICER

Date: 17 November 2020



Richard Perkins  
PRESIDING MEMBER, AUDIT COMMITTEE

# The Flinders Ranges Council

## General Purpose Financial Statements

For the year ended 30 June 2020

### Statement by Auditor

I confirm that, for the audit of the financial statements of The Flinders Ranges 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 (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Tim Muhlhausler** CA, Registered Company Auditor  
**Galpins Accountants, Auditors & Business Consultants**

20 / 11 / 2020



## FLINDERS REGIONAL ASSESSMENT PANEL

# ANNUAL REPORT 2019-2020

The Terms of Reference for the Flinders Regional Assessment Panel ("the Panel") requires that the Panel, through the Public Officer, to report in writing to the Constituent Councils on an annual basis, detailing:

- The level of attendance of Panel Members at Panel Meetings;
- The Panel's activity and performance in making decisions; and
- Comment on or an analysis of policy or process that are relevant to the Panel's assessment functions and suggesting improvements.

During the course of the 2019-2020 Financial Year, there were nil (0) applications referred to the Panel, and the Panel did not meet on any occasion.

As required, the following tables summarise the level of attendance of Panel Members at meetings and the activity and performance of the Panel in decision making.

Panel Member Attendance				
Member	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms Shanti Ditter	0	0	0	0
Mr John Brak	0	0	0	0
Mr David Hutchison	0	0	0	0
Cllr Michael Pickering (DCP)	0	0	0	0

Panel Activity						
Constituent Council	App's Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	0	0	0	0	0	0
District Council of Mount Remarkable	0	0	0	0	0	0
District Council of Orroroo Carrieton	0	0	0	0	0	0
District Council of Peterborough	0	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Peter McGuinness**  
Public Officer





## **2019/2020 ANNUAL REPORT**

**The Legatus Group AGM held on Friday 4 September 2019 adopted the annual report.**

The Legatus Group Charter requires that the AGM receive the Legatus Group's Annual Report which may incorporate reports from committees and any representatives reports from other organisations.

## **2019/2020 ANNUAL REPORT**

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

**The Legatus Group is a regional subsidiary of:**

- Adelaide Plains Council
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Mount Remarkable
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Light Regional Council
- Northern Areas Council
- Port Pirie Regional Council
- Regional Council of Goyder
- The Barossa Council
- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the

Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is referred. The Legatus Group is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

**Contact Details:** Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453  
Telephone: 0407819000 Email: [ceo@legatus.sa.gov.au](mailto:ceo@legatus.sa.gov.au) Website: [www.legatus.sa.gov.au](http://www.legatus.sa.gov.au)

**Legatus Group Board of Management:** The Board consists of all principal members (Mayors) of the Constituent Councils which for 2019/2020 were:

Council	Delegate
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare & Gilbert Valleys Council	Mayor Wayne Thomas
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Phillip Heaslip
District Council of Orroroo Carrieton	Mayor Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor Leon Stephens



<b>Regional Council of Goyder</b>	<b>Mayor Peter Matthey OAM</b>
<b>The Barossa Council</b>	<b>Mayor Bim Lange OAM</b>
<b>The Flinders Ranges Council</b>	<b>Mayor Peter Slattery</b>
<b>Wakefield Regional Council</b>	<b>Mayor Rodney Reid</b>
<b>Yorke Peninsula Council</b>	<b>Mayor Darren Braund</b>

### **Office Bearers for 2019/20**

<b>Chairman:</b>	<b>Mayor Peter Matthey OAM</b>
<b>Deputy Chairs:</b>	<b>Mayor Kathie Bowman</b> <b>Mayor Bill O'Brien</b>
<b>South Australian Regional Organisation of Councils</b>	<b>Mayor Peter Matthey</b> <b>Mayor Bill O'Brien</b>
<b>Chief Executive Officer:</b>	<b>Mr Simon Millcock</b>
<b>Auditor:</b>	<b>Dean Newbery and Associates</b>

### ***Chairman's Report***

It has been my pleasure to serve as Chairman in 2019/20 and take this opportunity to report on some highlights of the past year.

The Legatus Group provides a pivotal role in supporting member councils and advocating state-wide in the areas of Rating Equity for major energy producers, Community Wastewater Management Schemes, regional roads and coastal management. It is also taking a leadership role in the Regional Waste Management Strategy for the South Australian Regional Organisation of Councils (SAROC).

The organisation assisted all member councils in their successful efforts to access the Drought Communities Programme. The commitment by the Legatus Group on issues such as wellbeing, were a contributing factor for the State Government increasing resources to the Family and Business Support program, where two extra positions were made available. The drought continues to have a significant impact to regional SA, and our advocacy around inconsistencies re needs, assistance and funding are continued to be raised as appropriate.

The impacts of COVID-19 have been wide reaching, and I wish to recognise all councils in their efforts to support their communities. The disruptions to local government and Legatus will have an ongoing impact. Future implications are yet to be known, however as an organisation, strategic planning will assist in developing a way forward. As a broader region we escaped the devastating impact of bush fires in the summer of 2020. However, we acknowledge that there were significant impacts on the Yorke Peninsula, where member councils played a pivotal role in supporting communities.

Local government have been operating under the new LGA structure and this has meant a heavy load on our resources, for example, the new Planning and Design Code and consultation on the Local Government Reform Bill.

Announcements made by the state and federal government regarding funding for both the Horrocks and Barrier Highways are yet to result in any tangible results. The Road and Transport Infrastructure Advisory Committee have been active this year, and resulted in the renewed Deficiency Action Plan, a robust assessment of this year's Special Local Roads Program funding applications; and the release of the 2030 Industry Engagement report on the Legatus Group Regional Transport Plan. The Legatus Group 2019 Road and Transport Forum held in early July 2019 represented a very successful outcome by the committee, and future events are planned.

The region has been proactive in supporting the challenges and changing environment through the management of the Sector Agreement for the Climate Change Adaptation Plan, the release of a second report on a Regional Sustainability Hub, and the commencement of the Sustainability Hub Concept Plan (a Legatus Group funded project). The Legatus Group also managed the Yorke Mid North Coastal Management Action Plan which was released in early 2020 and have commenced (through funding from the Landscape Board) the implementation of the plan. In line with these initiatives the Legatus Group delivered a Regional Climate Ready webinar series throughout June due to COVID-19 restrictions.

We continue to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards. Legatus Group was to have hosted the Yorke Regional Planning Forum in Clare, (impacted by COVID-19) a series of successful webinars took its place.

Legatus Group CEO committed large amounts of time to the development of the Conference and Forum and Mr Simon Millcock demonstrated immeasurable flexibility in changing these events to webinars at short notice. These events are available on our website as a result and provide a great resource. I also note with positivity his efforts to support regional councils through his role with the Functional Support Group re Waste and as the Chair of the Regional LGA Executive Officers Forum. On these collaborations, and his input, I again commend his work.

Collaborations have continued with regional organisations through the delivery of the Creative Industries report, Visitor Information Services report and Youth into Volunteering report. The collaboration and establishment of MoUs and partnerships with South Australian Universities, the City of Prospect and the Smarter Regions CRC are fruitful associations with long term benefit. The board through its CEO continues to position the Legatus Group as a proactive force in the region for engagement with all tiers of government. These advocacy and collaborative activities have enabled the securing of valuable and cost-effective research in areas that are of significance to local government, stakeholders and community.

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance, and recommendations around variations to our policies and charter.

There has been valuable feedback gained from the Legatus Group Management Group meetings and information sharing opportunities by and for the CEO group. I note with interest their involvement with the Planning Commission and the ongoing discussions on Local Government Risk.

The Community Wastewater Management Advisory Committee assisted in the extension of the Joint CWMS program, staging of a successful SA conference and overseeing the release of the regional sludge viability report. Their continued work on issues around training and reduction in red tape is to be commended.

Whilst still in its infancy the Legatus Group Visitor Information Services Advisory Committee, are a great support via recent webinar, on the reopening of tourism in our region.

It has been pleasing to see the continued dialogue with the six State Government Members of Parliament, and our Federal Member. We are particularly enthused by their attendance at our board meetings.

In closing I would like to thank everyone who has taken a proactive role in progressing the strategic initiatives of the region. I thank Mayors Bill O'Brien (and also in his role on SAROC) and Kathie Bowman for your roles as Deputy Chairs.

Feedback tells that the reports prepared by Legatus Group CEO are progressed to the South Australian Regional Organisation of Councils (SAROC), and to other stakeholders and partners in all tiers of government. The organisation strives to continue to provide and improve upon strong partnerships and a collaborative approach, with our other regional local government associations, stakeholders and tiers of government. These activities are coordinated and managed by our CEO Mr Simon Millcock. I wish to thank him for his committed, dedicated and consistent approach in the development and delivery of the of the goals and directions of the board.

I would like to acknowledge all the Board members and those who have committed time to the Advisory Committees in what has been a tumultuous year. Your valuable service to the communities and the region continues to provide much needed leadership into the future.

Mayor Peter Matthey OAM  
Chairman Legatus Group

## **CEO Report**

In 2019-2020 the Legatus Group undertook a series of research papers and completed or commenced projects associated with the Legatus Groups Strategic and Business Plans, Yorke Mid North Regional Plan, Regional Climate Change Sector Agreement and the SAROC Strategic and Business Plans. The effort this year was to identify key projects in these plans and ensure that engagement and data were to be the drivers for ongoing programs. This was designed to increase the level of interest from other possible partners and to secure increased funding for the region by ensuring alignment with grant programs.

There was a significant increase in interest in partnering with the Legatus Group which has seen the Legatus Group become one of only 2 South Australian Showcase regions for both the Smarter Regions Cooperative Research Centre submission and for the Hub and Spoke Regional Innovation Hub project. Coupled with the Legatus Group support has been securing for the region the 2020 Parks and Leisure SA/NT and Mainstreet SA Conferences.

This year included a number of successful grant applications which have been acquitted or reporting on accordingly with \$550,340 (75%) of the Legatus Group's income coming from outside membership fees. This has placed the Legatus Group in a solid financial position which is reflected in the forthcoming 2020 – 2021 business plan and budget.

This year saw my attendance and deliver of the agendas, minutes and reports to over 30 Legatus Group Board / Committee, Yorke Mid North Alliance and SAROC meetings whilst managing the delivery of several regional forums, workshops and webinars. Administration responsibilities included the added roles of Chairing the Regional LGA Executive Officers, Secretariat to the Murray Darling Association Region 8 and a member of LGA Functional Support Groups associated with COVID-19 reference groups.

There were a series of forums and workshops including the 2019 Legatus Group Road and Transport Forum (plus a further information session on the progress of Major Road works by DPTI) and the 2019 SA Community Wastewater Management Conference. These provided a valuable opportunity for increased knowledge for both Elected Members and Operational Staff for member councils.

In response to COVID-19 there was a digital preparedness webinar which included topics such as cyber security and a Tourism Recovery webinar. Both were developed specifically for the Legatus Group councils recognising the competing demands on operational staff and programs being run by the LGA and others.

Due to COVID-19 restrictions the planned Yorke Mid North Forum and SA Climate Ready Conference were cancelled after the planning had been completed. In their place were the successful 7 week series of webinars which included 23 presenters and over 250 people registered. These are a great resource for councils and can be found at: <https://legatus.sa.gov.au/regional-learning/>

The Drought played a significant role with input into the Future Drought Fund Consultative Committee and efforts to develop and identify a strategic approach to funding opportunities for the region. A working group was established and the delivery of a gap analysis on emerging themes for drought response and climate change resilience report <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Drought-resilient-region-Gap-analysis-and-emerging-themes-report-v2.pdf> was completed. This is being used to position Legatus Group projects such as the Smart Irrigation for Public Spaces, Stormwater Harvesting and Reuse of Wastewater along with support for Wellbeing projects at a broader strategic level.

Whilst unsuccessful for funding of one of the two regional wellbeing officer roles via the LGA the Legatus Group was successful in securing a Local Government Information Linkages and Capacity Building Program for an Inclusive and Accessible Tourism Experiences for the Yorke Peninsula project for 20/21.

Support has been provided to the Legatus Management Group for key presenters at their meetings and their dialogue around Local Government Risk Management and changes to Planning.

Partnerships have been strengthened in the year with regional and state-based State Govt agencies including: SA Water, DIPT, PIRSA, DIS and DHS. This has led to new programs and forums / workshops being held and or supported for our region. Further work is required in the health sector and offers to assist continue.

The following is a list of 2019/2020 Legatus Group reports and projects:

1. Rating Equity report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/03/Rating-Equity-Impact-Assessment-Final-Report-03Feb20.pdf> Note that the Legatus Group supports the approach by SAROC seeking a commitment from the State Government in working with local government on amendments to rating policy with regards to electricity generators.
2. Visitor Information Services report (completed and formation of advisory group) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Legatus-Group-Tourism-Visitor-Information-Services-Report-July-2019-Final.pdf>
3. Regional Transport Industry Engagement report (complete) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Industry-Engagement-Documents.pdf>
4. Regional Sludge viability report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Final-Report-Draft-Legatus-Group-Sludge-Viability-Project-.pdf>
5. Local Roads updated deficiency report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Regional-Transport-Plan-Road-Deficiency-Action-Plans-Apr-20-endorsed.pdf>

6. Coastal Management Action Plan (completed and implementation project commenced) [https://landscape.sa.gov.au/files/sharedassets/northern\\_and\\_yorke/coast\\_and\\_marine/ny\\_coastactionplan\\_final\\_050520.pdf](https://landscape.sa.gov.au/files/sharedassets/northern_and_yorke/coast_and_marine/ny_coastactionplan_final_050520.pdf)
7. Creative Industries report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Creative-Industries-Report-April-2020.pdf>
8. Youth in Music (commenced) <https://legatus.sa.gov.au/yim/>
9. Youth into Volunteering (report completed and projects commenced) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Report-Youth-Volunteering-20-April-2020.pdf>
10. Brighter Futures – Project completed in Yongala, Mundoora, Balaklava, Crystal Brook and Jamestown and commenced with Orreroo Carrieton and Flinders Ranges.
11. CWMS (ongoing) with significant communication with CWMS staff, at the annual conference and in a series of communications sessions. The work has grown to have a state-wide scope and involves close collaboration with the LGA CWMS Manager. The work has focused on addressing the training needs, including for regulatory compliance; developing applications of new technology to equipment monitoring (in cooperation with UniSA); undertaking research into equipment selection and design criteria for new Schemes; and, advancing the concept of a biosolids composting plant to deal with CWMS sludge. More generally, the work is addressing the broader strategic aim of enhancing the governance of CWMS.
12. SA Regional Waste Management Strategy (commenced)
13. MoU and Strategic Research Action Plan established with University of SA and MoU established with the University of Adelaide
14. Reconciliation Action Research project (commenced)
15. Pit and Quarry Management report to SAROC (completed)
16. Restricted Access Vehicle Route Assessment Tool (completed and progressed to SAROC)

#### **Benefits to constituent councils:**

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

#### **Benefits across the local government sector:**

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

**Observation:**

This has been an extremely difficult year for all sectors of the community which is replicated in the local government sector. Working in isolation with increased workloads has been compounded with increased levels of anxiety and, as organisations we need to ensure the wellbeing occurs internally as well as with the support being provided to our communities.

The focus on securing data to assist in decision making and to assist with raising policy issues has seen continued constructive dialogue with Constituent Councils, Members of Parliament, Ministers, the Local Government Association SA, public servants and other regional stakeholders. The platform is in place to now expand on these reports and projects via tangible and constructive programs.

Simon Millcock  
CEO Legatus Group

**The Legatus Group Audit and Risk Committee** summary of activities undertaken, and recommendations made during 2019-2020. The committee met on 4 occasions during 2019-2020 with the following attendance.

<b>Date</b>	<b>No of Members Attending</b>
22 Aug 2019	4
1 Nov 2019	3
13 March 2020	3
22 May 2020	4

<b>Committee Member</b>	<b>No of Meetings Attended</b>
Chairman Kathie Bowman	4
Mayor Denis Clark	2
Peter Ackland	4
Colin Byles	3
Ian McDonald	4

The following table sets out the principal issues addressed by the Committee for 2019-20 year.

<b>Principal Issues Examined</b>	<b>Recommendations to Board</b>
Financial Report	No issues, unqualified audit, adopted for the 18/19 financial year.
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for 20/21 business plan and budget.

Review of work plan, internal controls	Work planned maintained and review undertaken of policies including 3 new policies (1) Working from Home (2) Agenda items and Meeting Presentations (3) Board Members Code of Conduct being adopted
Charter	Variations to charter supported re the 5.1 budget via report on ways to assist with streamlining the current charter and the process for seeking approval of the budget and its reviews.
Business, Budget and Strategic Plan	Noted the development of the 2019-2020 business plan and budget and recommended streamlining of the presentation of current budget when reviewed.
Membership	Recommendations to Board re membership of Audit Committee
Equity / reserves	Recommendations to Board on levels to be held

Chairman Kathy Bowman

Chairman Legatus Group Audit and Risk Management Committee

### **Financial Statement**

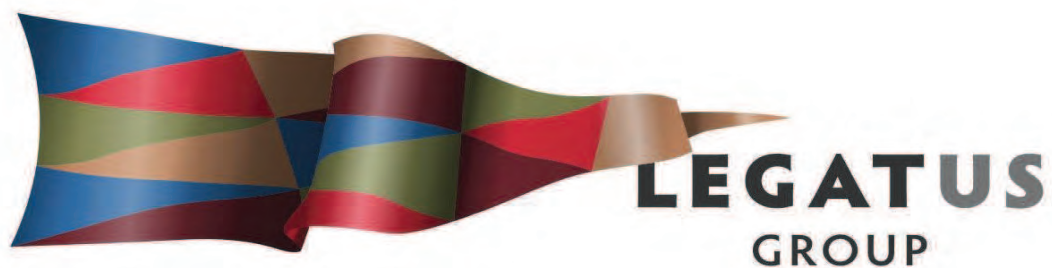
The financial statement for the year ending 30 June 2019 was presented at the 4 September 2020 Legatus Group AGM. The Legatus Group Charter requires that the AGM receive the audited financial statement for the preceding financial year.

The 2019/2020 Legatus Group audited annual financial report was undertaken by Dean Newberry and Partners. This report was prepared by Mr Sean Cheriton The Flinders Ranges Council Acting Finance and Administration Manager and was an agenda item at the Legatus Group Audit and Risk Committee meeting held on 21 August 2020. This meeting endorsed the Legatus Group annual financial statement for the year ending 30 June 2019 as presenting a fair view of the state of the financial affairs of the Legatus Group and that the board adopt the annual financial statement. The meeting also recommended that the Legatus Group retain Dean Newberry and Partners as Auditors for the year end 30 June 2021.

The reports and statements form part of the Legatus Group Annual Report and will be distributed to Constituent Councils for inclusion with their own annual reporting requirements.

The regulations also require that on an annual basis, the Chief Executive Officer of each Constituent Council, the Legatus Group Chair and the Chair of the Audit Committee provide a statement of certification that the auditor is independent of the subsidiary. This has been completed.

CENTRAL LOCAL GOVERNMENT  
REGION of SA  
trading as



Annual Financial  
Statements

For the financial year

1 July 2019 – 30 June 2020



# LEGATUS GROUP

## General Purpose Financial Reports for the year ended 30 June 2020

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## LEGATUS GROUP


### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

#### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group 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 Group'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 Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

  
.....  
Simon Francis MILLCOCK  
CHIEF EXECUTIVE OFFICER

  
.....  
Mayor Samuel Peter MATTEY  
PRESIDENT

Date: 4 SEPT 2020.

# LEGATUS GROUP

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>INCOME</b>			
Grants, subsidies and contributions	2	<b>485,336</b>	509,232
Investment income	2	<b>10,845</b>	16,573
Reimbursements	2	<b>37,787</b>	37,664
Other income	2	<b>193,397</b>	169,431
<b>Total Income</b>		<b><u>727,366</u></b>	<b><u>732,899</u></b>
<b>EXPENSES</b>			
Employee costs	3	<b>221,194</b>	191,317
Materials, contracts & other expenses	3	<b>273,479</b>	355,899
Depreciation, amortisation & impairment	3	<b>5,695</b>	6,311
<b>Total Expenses</b>		<b><u>500,368</u></b>	<b><u>553,527</u></b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>226,998</b>	179,372
Asset disposal & fair value adjustments	4	<b>(3,690)</b>	-
<b>NET SURPLUS / (DEFICIT)</b>		<b><u>223,308</u></b>	<b><u>179,372</u></b>
transferred to Equity Statement			
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>223,308</u></b>	<b><u>179,372</u></b>

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

# LEGATUS GROUP

## STATEMENT OF FINANCIAL POSITION as at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,258,006	972,087
Trade & other receivables	5	93,845	69,801
<b>Total Current Assets</b>		<b>1,351,851</b>	<b>1,041,888</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	6	24,850	11,177
<b>Total Non-current Assets</b>		<b>24,850</b>	<b>11,177</b>
<b>Total Assets</b>		<b>1,376,701</b>	<b>1,053,065</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	135,189	46,729
Provisions	7	10,314	2,568
<b>Total Current Liabilities</b>		<b>145,503</b>	<b>49,297</b>
<b>Non-current Liabilities</b>			
Provisions	7	7,069	2,947
<b>Total Non-current Liabilities</b>		<b>7,069</b>	<b>2,947</b>
<b>Total Liabilities</b>		<b>152,572</b>	<b>52,244</b>
<b>NET ASSETS</b>		<b>1,224,129</b>	<b>1,000,821</b>
<b>EQUITY</b>			
Accumulated Surplus		704,359	166,358
Other Reserves	8	519,770	834,463
<b>TOTAL EQUITY</b>		<b>1,224,129</b>	<b>1,000,821</b>

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

# LEGATUS GROUP

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2020

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2020	Notes	\$	\$	\$
Balance at end of previous reporting period		166,358	834,463	1,000,821
<b>Net Surplus / (Deficit) for Year</b>		223,308	-	223,308
<b>Other Comprehensive Income</b>				
Transfers between reserves	8	314,693	(314,693)	-
<b>Balance at end of period</b>		<b>704,359</b>	<b>519,770</b>	<b>1,224,129</b>
<b>2019</b>				
Balance at end of previous reporting period		55,336	766,113	821,449
<b>Net Surplus / (Deficit) for Year</b>		179,372	-	179,372
<b>Other Comprehensive Income</b>				
Transfers between reserves	8	(68,350)	68,350	-
<b>Balance at end of period</b>		<b>166,358</b>	<b>834,463</b>	<b>1,000,821</b>

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

# LEGATUS GROUP

## STATEMENT OF CASH FLOWS for the year ended 30 June 2020

		2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes		
<u>Receipts</u>			
Investment receipts		11,352	18,714
Grants utilised for operating purposes		561,336	454,232
Reimbursements		37,787	37,664
Other revenues		193,398	161,248
<u>Payments</u>			
Employee costs		(210,531)	(186,562)
Materials, contracts & other expenses		(284,365)	(322,084)
<b>Net Cash provided by (or used in) Operating Activities</b>	9	308,977	163,211
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Sale of replaced assets		5,909	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(28,967)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		(23,058)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>		-	-
<u>Payments</u>		-	-
<b>Net Cash provided by (or used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		285,919	163,211
Cash & cash equivalents at beginning of period	9	972,087	808,876
<b>Cash &amp; cash equivalents at end of period</b>	9	1,258,006	972,087

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

# LEGATUS GROUP

## 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

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*.

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 the Group'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.

All amounts in the financial statements have been rounded to the nearest dollar (\$).

#### 1.1 Historical Cost Convention

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

#### 1.2 The Local Government Reporting Entity

The Legatus Group (the Group) is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- |                                      |  |
|--------------------------------------|--|
| 1. The Barossa Council               | 2. District Council of Mount Remarkable  |
| 3. Barunga West Council              | 4. Northern Areas Council                |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. Copper Coast Council              | 8. District Council of Peterborough      |
| 9. The Flinders Ranges Council       | 10. Port Pirie Regional Council          |
| 11. Regional Council of Goyder       | 12. Wakefield Regional Council           |
| 13. Light Regional Council           | 14. Yorke Peninsula Council, and         |
| 15. Adelaide Plains Council.         |  |

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

#### 1.3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Group obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Group's operations for the current reporting period.

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Group'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 generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

#### 1.5 Property, Plant & Equipment

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held ready for use. All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Group 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 as follows:

Office Furniture & Equipment	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, 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 below.

Office Furniture & Equipment	5 to 10 years
Motor Vehicles, Other Plant & Equipment	3 to 5 years

#### 1.6 Payables

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.

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

#### 1.7 Employee Benefits

##### Salaries, Wages & Compensated Absences

The Group has two employees as at the 30<sup>th</sup> June 2020, a Chief Executive Officer and a Project Officer. 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 oncosts) 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 oncosts) 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.



# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

No accrual is made for sick leave as the Group's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Group does not make payment for untaken sick leave.

#### 1.8 Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation funds for the Chief Executive Officer and Project Officer.

#### 1.9 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.

#### 1.10 Leases

In the current year, the Group performed an assessment of the potential impact of AASB 16 *Leases*. The Group is only engaged in a short-term lease as per Section 5 of AASB 16 and therefore the lease is recognised as an operating expense on a straight-line basis over the term of the lease.

#### 1.11 New Accounting Standards

In the current year, the Group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

The Group has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2020 reporting period and have not been used in preparing these reports.

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-6 Amendments to Australia Accounting Standards Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards Definition of Material

AASB 2019-3 Amendments to Australian Accounting Standards Interest Rate Benchmark Reform

AASB 17 Insurance Contracts

AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

The Group is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

#### 1.12 Economic Dependencies

The Group is aware of its current dependence on Grants Revenue received from the Commonwealth Government, State Government and the Local Government Association for the ongoing operations of the Group. Should the Group not secure funding or a significantly reduced level of funding in future years, it may impact on the ability of the Group to continue operating as a going concern.

#### 1.13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 2 - INCOME

	2020 \$	2019 \$
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority	10,807	16,507
Banks	39	65
	<u>10,845</u>	<u>16,573</u>
<b>REIMBURSEMENTS</b>		
- for Legal, Climate Change, USGRPG	37,787	37,664
	<u>37,787</u>	<u>37,664</u>
<b>OTHER INCOME</b>		
Council Contributions	177,025	165,225
Sundry	16,372	4,206
	<u>193,397</u>	<u>169,431</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Sundry	485,336	509,232
	<u>485,336</u>	<u>509,232</u>
<b>Sources of grants</b>		
Commonwealth government	17,000	-
State government	70,500	115,000
LGA	397,836	394,232
	<u>485,336</u>	<u>509,232</u>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 3 - EXPENSES

	2020 \$	2019 \$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	166,435	141,645
Employee leave expense	27,745	23,815
Superannuation	17,828	15,217
Workers' Compensation Insurance	2,087	1,333
Professional Development	400	664
FBT	6,699	8,644
<b>Total Operating Employee Costs</b>	<b>221,194</b>	<b>191,317</b>
<b>Total Number of Employees</b>	<b>1.5</b>	<b>1.3</b>
<i>(Full time equivalent at end of reporting period)</i>		
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
Prescribed Expenses		
Auditor's Remuneration	2,100	2,000
Subtotal - Prescribed Expenses	<u>2,100</u>	<u>2,000</u>
<u>Other Materials, Contracts &amp; Expenses</u>		
Contractors & Consultants	210,349	303,167
Legal Expenses	-	-
Unleaded Fuel	3,003	4,734
Other Motor Vehicle Costs	362	3,540
Members Allowances & Support	5,500	4,600
Meetings & Conferences	14,517	6,937
Insurance	7,934	7,735
Rental - Premises	10,126	9,009
Advertising	28	1,650
Accommodation	1,022	768
Airfares	338	-
Travel - Reimbursement	834	425
Catering & Meals	3,293	1,040
Telephone & Internet	3,432	4,894
Postage/Stationery/IT	3,792	3,575
Sundry	6,849	1,826
Subtotal - Other Materials, Contracts & Expenses	<u>271,379</u>	<u>353,899</u>
	<b>273,479</b>	<b>355,899</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Motor Vehicle	5,695	6,311
	<u>5,695</u>	<u>6,311</u>

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2020	2019
	\$	\$
<b>PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	5,909	-
Less: Carrying amount of assets sold	9,599	-
<b>Gain (Loss) on disposal</b>	<u>(3,690)</u>	<u>-</u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	 <u>(3,690)</u>	 <u>-</u>

#### Note 5 - CURRENT ASSETS

<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash at Bank	77,756	78,151
Deposits at Call	1,180,250	893,936
	<u>1,258,006</u>	<u>972,087</u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	436	944
Debtors - General	93,409	55,000
GST Recoupment	-	13,857
	<u>93,845</u>	<u>69,801</u>

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

#### Note 6 - PLANT & EQUIPMENT

	Fair Value Level	2019 \$				2020 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles		-	33,353	(22,176)	11,177	-	28,967	(4,117)	24,850
Computers & Software		-	3,948	(3,948)	-	-	3,948	(3,948)	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>		-	37,301	(26,124)	11,177	-	32,915	(8,065)	24,850
<i>Comparatives</i>		-	37,301	(19,813)	17,488	-	37,301	(26,124)	11,177

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR								2020
	\$	\$								\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Motor Vehicles	11,177	-	28,967	(9,599)	(5,695)	-	-	-	-	24,850
Computers & Software	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<b>11,177</b>	-	<b>28,967</b>	<b>(9,599)</b>	<b>(5,695)</b>	-	-	-	-	<b>24,850</b>
<i>Comparatives</i>	<i>17,488</i>	-	-	-	<i>(6,311)</i>	-	-	-	-	<i>11,177</i>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 7 - LIABILITIES

	2020		2019	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	2,143	-	24,196	-
Payments received in advance	110,500	-	-	-
Accrued expenses - employee entitlements	5,890	-	6,637	-
GST & PAYG	16,656	-	15,896	-
	<b>135,189</b>	<b>-</b>	<b>46,729</b>	<b>-</b>
PROVISIONS				
Employee entitlements - Annual Leave	10,314	-	2,568	-
Employee entitlements - Long Service Leave	-	7,069	-	2,947
	<b>10,314</b>	<b>7,069</b>	<b>2,568</b>	<b>2,947</b>

### Note 8 - RESERVES

OTHER RESERVES	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
General Reserve	66,093	466,677	(263,000 )	<b>269,770</b>
Rubble Royalties Projects	-	250,000	-	<b>250,000</b>
1 A009-Special Projects	9,825	-	(9,825 )	-
2 P003-Waste Management	16,273	-	(16,273 )	-
3 P022-Roads & Transport	46,087	377,570	(423,657 )	-
4 P024-Climate Change Co-Ordinator 2015-17	11,694	-	(11,694 )	-
5 P025-LG Outreach Phase 2	132,922	-	(132,922 )	-
6 P027-LG Reform - Incentive Risk	144,000	-	(144,000 )	-
7 P028-Regional Capacity Building	407,569	-	(407,569 )	-
<b>TOTAL OTHER RESERVES</b>	<b>834,463</b>	<b>1,094,247</b>	<b>(1,408,940 )</b>	<b>519,770</b>
<b>Comparatives</b>	<b>766,113</b>	<b>75,000</b>	<b>(6,650 )</b>	<b>834,463</b>

### PURPOSES OF RESERVES

#### (Other Reserves)

#### Rubble Royalties / Projects Reserve

*This reserve was established from the Region's rubble royalty payments, with a percentage returned for allocation towards projects that provide a benefit to Member Councils*

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2020 \$	2019 \$
Total cash & equivalent assets	5	<b>1,258,006</b>	972,087
Balances per Cash Flow Statement		<b>1,258,006</b>	972,087

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

Net Surplus (Deficit)	<b>223,308</b>	179,372
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<b>5,695</b>	6,311
Net increase (decrease) in unpaid employee benefits	<b>10,663</b>	4,755
Net (Gain) Loss on Disposals	<b>3,690</b>	-
	<b>243,356</b>	190,438
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	<b>(33,993)</b>	33,815
Net increase (decrease) in trade & other payables	<b>(10,886)</b>	(61,042)
Net increase (decrease) in other liabilities	<b>110,500</b>	-
<b>Net Cash provided by (or used in) operations</b>	<b>308,977</b>	163,211

#### (c) Non-Cash Financing and Investing Activities

#### (d) Financing Arrangements

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

Corporate Credit Cards	<b>1,000</b>	-
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### Note 10 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 Corporate Function
- 2 P003 - Regional Waste Management
- 3 P015-Local Government Reform
- 4 P022-Roads & Transport
- 5 P024-Climate Change Co-Ordinator
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building
- 8 P029 - LGA R&D Projects
- 9 P030 - Emerging Leaders Project
- 10 P031 - Digital Maturity Index Project
- 11 P032 - Sustainability Hub
- 12 P033 - Coastal Strategic Priorities
- 13 P034 - N&Y Coastal Management Action Plan
- 14 P037 - Creative Industries Project
- 15 P038 - Regional Waste Strategy

Income and expenses have been attributed to the functions/activities throughout the financial year.

**LEGATUS GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2020**  
**Note 11 - FINANCIAL INSTRUMENTS**

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 0.45% as at 30 June 2020</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Trade &amp; other debtors</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</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.</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 Group.</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>

**Liquidity Analysis**

<b>2020</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	1,258,006	-	-	1,258,006	1,258,006
Receivables	93,845	-	-	93,845	93,845
<b>Total</b>	<b>1,351,851</b>	<b>-</b>	<b>-</b>	<b>1,351,851</b>	<b>1,351,851</b>
<b>Financial Liabilities</b>					
Payables	129,299	-	-	129,299	129,299
<b>Total</b>	<b>129,299</b>	<b>-</b>	<b>-</b>	<b>129,299</b>	<b>129,299</b>

<b>2019</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	972,087	-	-	972,087	972,087
Receivables	69,801	-	-	69,801	69,801
<b>Total</b>	<b>1,041,888</b>	<b>-</b>	<b>-</b>	<b>1,041,888</b>	<b>1,041,888</b>
<b>Financial Liabilities</b>					
Payables	24,196	-	-	24,196	24,196
<b>Total</b>	<b>24,196</b>	<b>-</b>	<b>-</b>	<b>24,196</b>	<b>24,196</b>

**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 Group.

**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 Group is the carrying amount, net of any allowance for doubtful debts. All Group 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 Group'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 the Group'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 the Group 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 12 - FINANCIAL INDICATORS

	2020	2019	2018
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

#### Operating Surplus Ratio

<u>Operating Surplus</u>	31.2%	24.5%	18.8%
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>	(165%)	(135%)	(143%)
Total Operating Income			

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

#### Asset Renewal Funding Ratio

<u>Net Asset Renewals</u>	305%	0%	0%
Depreciation Expenditure			

*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.*

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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	727,366	732,899
Expenses	<u>(500,368)</u>	<u>(553,527)</u>
<b>Operating Surplus / (Deficit)</b>	<b>226,998</b>	<b>179,372</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(28,967)	-
Add back Depreciation, Amortisation and Impairment	5,695	6,311
Proceeds from Sale of Replaced Assets	<u>5,909</u>	<u>-</u>
	<b>(17,363)</b>	<b>6,311</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	-	-
Amounts received spec. for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	<b>-</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>209,635</u></b>	<b><u>185,683</u></b>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 14 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 2 persons were paid the following total compensation:

	2020 \$	2019 \$
Salaries, allowances & other short term benefits	194,180	165,460
Member Allowance	5,500	4,600
Post-employment benefits	17,828	15,217
FBT	6,699	8,644
<b>TOTAL</b>	<b>224,208</b>	<b>193,921</b>

The Group received the following amounts in total:

	2020 \$	2019 \$
Contributions for fringe benefits tax purposes	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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

#### OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year.	Received 2020 \$	Outstanding 2020 \$
The Barossa Council	11,135	-
Barunga West Council	12,635	1,500
Clare and Gilbert Valleys Council	11,135	-
Copper Coast Council	12,635	1,500
The Flinders Ranges Council	16,135	-
Regional Council of Goyder	11,135	-
Light Regional Council	11,135	-
Adelaide Plains Council	11,135	-
District Council of Mount Remarkable	11,135	-
Northern Areas Council	11,135	-
District Council of Orroroo / Carrieton	16,135	-
District Council of Peterborough	11,135	-
Port Pirie Regional Council	11,135	-
Wakefield Regional Council	11,135	-
Yorke Peninsula Council	12,635	1,500
<b>TOTAL</b>	<b>181,525</b>	<b>4,500</b>

#### Description of Services provided to all Related Parties above:

The Legatus Group is the peak regional local government organisation that is focused on the interests of its communities. The Legatus Group's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

The Group has Five Primary Goals and numerous strategies to achieve these are outlined in the Group's Strategic Plan 2018-2028 which is available on the Group's website.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGATUS GROUP**

### **Opinion**

We have audited the financial report of the LEGATUS Group (the Authority), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority 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*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the 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.

### **Other Information other than the Financial Report and Auditor's Report Thereon**

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility for the Financial Report**

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Authority'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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



**JIM KEOGH  
PARTNER**

Signed on the 8<sup>th</sup> day of September 2020,  
at 214 Melbourne Street, North Adelaide

**LEGATUS GROUP**  
**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 the Legatus Group for the year ended 30 June 2020, the Council's Auditor, Dean Ministry & 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.

  
**CHIEF EXECUTIVE OFFICER**  
**The Shire of Council**

  
**CHIEF EXECUTIVE OFFICER**  
**Glen & Oblique Valley's Council**

  
**CHIEF EXECUTIVE OFFICER**  
**The Shire of Council**

  
**CHIEF EXECUTIVE OFFICER**  
**Metropolitan Council**

  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Northern Peninsula**

  
**CHIEF EXECUTIVE OFFICER**  
**Port of Regional Council**

  
**CHIEF EXECUTIVE OFFICER**  
**York Peninsula Council**

  
**CHIEF EXECUTIVE OFFICER**  
**Wakefield Regional Council**

  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Buronga West**

  
**CHIEF EXECUTIVE OFFICER**  
**District Council of the Copper Coast**

  
**CHIEF EXECUTIVE OFFICER**  
**Regional Council of Dryden**

  
**CHIEF EXECUTIVE OFFICER**  
**Adelaide Plains Council**

  
**CHIEF EXECUTIVE OFFICER**  
**Northern Areas Council**

  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Onslow Carleton**

  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Port Augusta**

  
**CHAIRMAN**  
**Legatus Group**  
**Board of Management**

Date:

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

I confirm that, for the audit of the financial statements of the LEGATUS Group 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 the 8<sup>th</sup> September 2020**