



**The Flinders  
Ranges Council**

# **ANNUAL REPORT 2018-2019**

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21 January 2020**



## 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.*

## OBJECTIVES

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.

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THE FLINDERS RANGES COUNCIL FINANCIAL STATEMENTS 2018-2019

FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT 2018-2019

LEGATUS GROUP (FORMERLY CENTRAL LOCAL GOVERNMENT REGION) ANNUAL  
REPORT 2018-2019

## 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	1,610
Total Revenue (including Rates)	\$4.65m
Rate Revenue (including CWMS & Garbage)	\$2.32m
Total Expenditure	\$6.06m
Total Capital Expenditure	\$1.23m

### 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  
 Historic 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  
 Death Rock  
 Mookra Tower Lookout accessible only by 4wd

### Historic Sites

Bruce  
 Gordon  
 Itali-Itali  
 Pichi Richi Pass  
 Probys Graves site  
 Simmonston  
 Cemeteries  
 Kanyaka Station Ruins  
 Saltia  
 Wilson  
 Willochra  
 Historic Building Walk

## 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 2019.

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

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

Elected Members	Ordinary Meetings	Special Meetings	Audit	Flinders Ranges Visitor Information Centre Management	Swimming Pool Reference	Policy Review Reference	Signage Reference	Little Corella Reference	Enterprise Bargaining	Flinders Regional Assessment Panel	Works Review Reference	Local History Group Reference
Prior to November Election												
Mayor Peter Slattery	4	1	1			2	1		1		4	
Cr Ken Anderson	4	1	1						1		3	
Cr Mopsy Daniel	3	1									2	
Cr Nicole Downing	3				1							2
Cr Greg Flint	4	1	1		1							
Cr Julian Hipwell	4	1		4								
Cr Scott Reubenicht	3					1						
Cr Patsy Reynolds	4	1										
Cr Andrew Smith	2	1				2					4	
<b>Total number of meetings</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>3</b>
Post November Election												
Mayor Peter Slattery	8	2	1			2	3	3			5	
Cr Ken Anderson	5	1									4	
Cr Greg Flint	8	2	1									
Cr Julian Hipwell	7	1		7								
Cr Annie Reubenicht	8	1				1	2				5	
Cr Patsy Reynolds	8	2	1			2						
Cr Andrew Smith	7	1			2			3			2/2	5
Cr Steven Taylor	8	2			5							
Cr Kevin Woolford	7	2						3			2/2	
<b>Total number of meetings</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>3</b>		<b>0</b>	<b>6</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 2019:

➤ Mayor	\$24,886.00
➤ Deputy Mayor	\$ 7,676.00
➤ Elected Member - Quorn	\$ 6,221.50
➤ Elected Member - Hawker	\$ 6,863.50

The two Hawker based Elected Members receive an additional \$642.00 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 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 2018-2019:

Elected Members	Total						Total
	July 2018	August 2018	November 2018	January 2019	April 2019 (AC)	April 2019	
Mayor Peter Slattery	X	X	X	X	X	X	6/6
Cr Ken Anderson	X	X		X			3/5
Cr Mopsy Daniel	X	X					2/2
Cr Nicole Downing	X	X					2/2
Cr Greg Flint	X	X	X	X	X	X	6/6
Cr Julian Hipwell		X	X	X			3/5
Cr Scott Reubenicht		X					1/2
Cr Patricia Reynolds	X	X	X	X	X	X	6/6
Cr Andrew Smith	X	X	X	X		X	5/5
Cr Annie Reubenicht			X	X			2/3
Cr Steven Taylor			X	X		X	3/3
Cr Kevin Woolford			X	X			2/3
<b>Total training modules</b>	1	1	1	1	1	1	6



## Elector Representation

Number of Electors (as at 28 February 2019) 1,169

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

Council	Elected Members	Electors	Wards	Rep. Quota
Cleve	7	1,232	0	176
Elliston	8	715	0	89
Flinders Ranges	9	1,169	0	129
Franklin Harbour	6	893	0	148
Karoonda-East Murray	7	741	0	105
Kimba	7	799	0	114
Orroroo Carrieton	6	674	0	112
Robe	7	1,203	0	171
Streaky Bay	8	1,558	2	194
Wudinna	7	837	0	119
Average excluding FRC	7	961	0	136

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

Council	Elected Members	Electors	Wards	Rep. Quota
Mount Remarkable	7	2,125	2	303
Peterborough	9	1,210	0	134
Northern Areas	9	3,382	4	375

*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. Next scheduled review due in 2020-2021.

## 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 2018 to 30 June 2019:



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Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
15 Jan 2019	90(3)(d)	015/2019	15 Jan 2020	15 Oct 2019
19 Feb 2019	90(3)(d)	042/2019	19 Feb 2020	

## 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 1 February 2018 to 30 September 2019 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 2018 to 30 June 2019 is incorporated in this Annual Report.

## Human Resources

The Flinders Ranges Council is an equal opportunity employer.

As at 30 June 2019, The Flinders Ranges Council employed 10.2 FTE males and 5.5 FTE females. Council also had full-time 3 trainees (2 female, 1 Male) supplied by CEG, two of the three trainees took up permanent employment during the financial year. Council currently employs 1 person of Aboriginal and/or Torres Island descent.

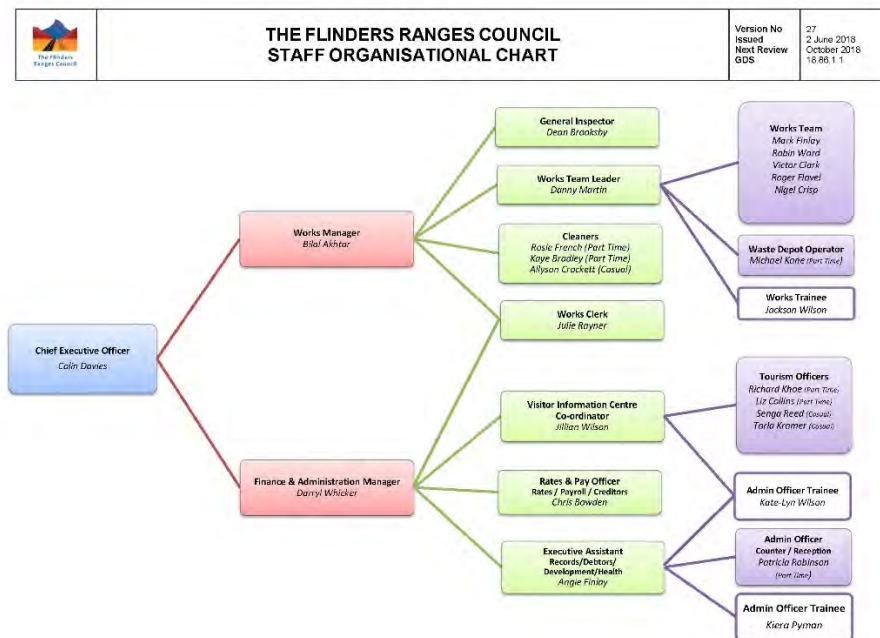
## Senior Executive

Three (3) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses, but some contracts include an allowance for telephone, reimbursement of work related call costs made from that telephone, internet and the use of a Council provided motor vehicle for business and private use. Refer to page 24 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 2019:



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

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## MAYOR'S REPORT

Welcome to The Flinders Ranges Council Annual Report for the 2018-2019 financial year. The past year has been a fairly challenging one for our Council. In addition to our works program and business plan projects, there has been a greater than usual effort put into lobbying our State and Federal Governments over issues such as the proposed introduction of Rate Capping in the lead-up to last year's State election, the omission of The Flinders Ranges Council from the Federal Government's Drought Communities Program, and ongoing support for our critical health and ambulance services in particular.

We were ultimately successful in gaining recognition of our community's drought condition and the impact on regional businesses by being included in the Drought Communities Program extension program, and we have some exciting programs and projects in the pipeline to support our community and regional economy through the drought downturn. We acknowledge our Federal Member for Grey, Rowan Ramsay; the Legatus Group of Councils, and RDA-Far North for their ongoing and vocal support of our situation.

The region has also continued to be involved in the proposed National Radioactive Waste Management Facility discussions, though the current delay in getting to undertake the community sentiment ballot has been extremely frustrating for all of us. Whilst the Barngarla action remains before the courts we are all in a "holding pattern" and are awaiting some direction from the courts before we can determine the next steps. This is a massive and very emotive issue for our community, and remains quite divisive, so we are looking forward to a resolution as soon as practicable.

The November 2018 periodic elections saw several new Members elected to Council, along with the return of the two Members who were elected earlier in 2018 at the supplementary election. We now have 5 Councillors who are fairly new to their roles. Notably retiring at the November 2018 election was Cr Ronald "Mopsy" Daniel, who had been a Councillor for much of the time since the 1997 amalgamation to form The Flinders Ranges Council and I acknowledge his understanding of Council matters (going back before any of us were involved!), and his strong commitment to the community over his many years of service. The integration of new Elected Members as always brings some fresh ideas and renewed enthusiasm, along with recognising the learning curve as they become familiar with the particular environment we work in as a Council.

An additional complication through this process is that we have also had the CEO, Colin Davies, taking some long-term leave over the past six months. The Acting CEO position has been filled by Council's Finance and Administration Manager, Darryl Whicker – an opportunity for him to develop experience in the broader role. Additional support and backfilling of the Finance role has been provided by Sean Cheriton, and I thank both of them for their efforts over this time. It's also appropriate to recognise the efforts of all our staff in supporting the work of Council during these periods of disruption.

We undertook a review/rebuilding of the Council's Strategic Management Plan earlier in the year following the November 18 elections, and have adopted a new Community Plan to guide Council's direction and intentions over the coming years. It was a great opportunity to really focus on what our community wants and expects from Council, how we envisage our community developing, and what aspirations we all hold for our area.

Another area in which Council has been able to diversify the recreational options for our community is in the support and attraction of touring arts programs, and we are grateful for the opportunities afforded by Country Arts SA and others in helping facilitate these shows. Through the year we hosted Carpe Diem, the Melbourne Comedy Festival Roadshow, and Kaput, as well as supporting the more usual community events such as the Hawker and Quorn Races, the Quorn Show, Hawker's Flinders Fest, Australia Day, Anzac Day, Christmas events and the like. We were

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also fortunate to have a round of the State Rally Championship held in our area which was a tremendous spectacle and certainly provided something different for people to see!

Our community remains a positive, welcoming and supportive one and is great to be a part of. We are committed to a strong and secure future for our region, with practical and modest aspirations for community development and confidence in what lies ahead. My sincere thanks to all our staff and Councillors, our community volunteers, and our residents for helping to make The Flinders Ranges Council the strong entity and area we enjoy today.

***Peter Slattery***  
***Mayor***

## OFFICERS' REPORTS

### Chief Executive Officer

The 2018-2019 financial year continued to be very taxing for staff with the State Government's ongoing introduction of new legislation, adding additional cost and compliance requirements for Council with no additional resources allocated. Ongoing changes to legislation and regulations have continued to be scheduled as the State Government looks at new ways to raise their revenue at the expense of Local Government and ratepayers. This ongoing and continuous "cost-shifting" by the State Government remains a burden on the community through increased rates and, to a lesser degree, increased fees and charges.

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 2018-2019:

Position	Supplied by	Supplied to	Shared with
Environmental Health Officer	Port Pirie Regional Council		
Food Safety	Port Pirie Regional Council		
Development Officer	Port Augusta City Council		
Building Officer	Port Augusta City Council		
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	
Works Manager		District Council of Orroroo Carrieton	
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

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.

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Public consultation undertaken during the year included the Annual Business Plan 2018-2019, Budget 2018-2019 and Long Term Financial Plan 2018-2038; a range of new and updated Council policies and Terms of Reference; and Rating Discussion Paper 2018-2019. Council also consulted on the Community Plan holding a BBQ and drop in sessions in Quorn and Hawker. 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 2018-2019, most of which were competitive.

The Flinders Ranges Council continued programmed replacement and upgrade of Council infrastructure in 2018-2019. The Works Manager has highlighted some of the upgrades such as Carrieton Road construction and sealing and Flinders Ranges Skate park.

The Flinders Ranges Council continues to support a range of community events which attract many people to the Council district. Some of the major events proudly supported/sponsored by Council are Hawker Races; Quorn Races; Pichi Richi Marathon; Quorn Agricultural Show; Quorn Christmas Pageant and Christmas Eve Street Party; Quorn Produce Market; Hawker Flinders Fest; Hawker Craft Market, Anzac Services in Cradock, Hawker and Quorn; Australia Day services in Hawker and Quorn; Men's Shed Men's Breakfast and various sporting events.

In addition Council provides ongoing support to the film industry and actively promotes the region as an ideal location for filming.

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.

Council welcomed new staff Shane Grivell, Jackson Wilson, Kate-Lyn Wilson and Greg Stephens. Unfortunately, Kaye Bradley, Robin Ward, Bilal Akhtar, Christine Bowden, Kate-Lyn Wilson and Michael Kane departed for greener pastures during the year. Employees that were employed for less than 3 months or for a specific purpose were omitted from this report.

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.

**Darryl Whicker**  
**Acting Chief Executive Officer**

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## Works Manager

The Works and Services Department undertakes capital construction, major and the routine maintenance of hard infrastructure within the Council. 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.

This is not an extensive list but purely a snapshot of some of the works that were completed.

### Works and Services Functions

Major capital construction projects undertaken in the financial year were:

#### Rural Road Sheetting

Old Gunyah Road	1000 meters
Boolcunda Road	2000 meters
Willow Waters Road	1000 meters
Simmonston Road	2000 meters
Neuroodla Road	2000 meters
Telfer Road	1000 meters

### Town Streets

The sealing of Sixth Street Shoulders total of 200 meters either side of the main traffic lanes through town.

### 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).

### Plant Replacement

Skid Steer replacement.

Multi-purpose tractor replacement.

Bitumen spray unit.

Replacement of three for wheel drive Utilities and one SUV CEO Vehicle.

Various small plant and machinery for maintenance of Council infrastructure including spray equipment, leaf blowers and tools.

### General

Purchase of eight defibrillators were purchased and installed in Quorn and Hawker

#### Summary

The Department has achieved most of its goals within the financial year, which has been made achievable by the employment of permanent works staff which in turn has helped achieve many of the tasks at hand.

This Department once again faces the challenge of completing another large capital budget and face the challenges of staff shortages once again



### 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.

<b>Statistics: Total</b>	
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. (footpaths).

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

**Greg Stephens**  
**Works Manager**

### Development Officer

Yantel Burns (Planning Officer), Michael Walmesley (Senior Planning Officer) and 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	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
		Number of Applications	Number of Applications	Number of Applications	Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	8	9	6	8	5
1b	Boarding House, Guest House, Hostel	1	1	0	0	0
2	Building containing 2 or more units	0	0	0	0	0
3	Residential Building (e.g. aged)	1	0	0	0	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	2	0	0	0	1
5	Office building	1	0	1	1	0
6	Shop or other building	3	0	2	2	0
7	Carpark or building for storage, display of goods or produce for sale	0	0	0	0	0
8	Laboratory	0	1	0	0	0
9	Health Care building	0	0	0	3	0
10a	Non-habitable building or structure (e.g. verandah, garage, shed)	19	37	23	40	28
10b	Swimming Pool, fence mast or antenna	4	3	2	4	0
Land Division Applications		0	0	1	1	1
<b>Total Applications and Development Cost</b>		<b>39</b> <b>Total Value \$4,310,610</b>	<b>51</b> <b>Total Value \$1,712,353</b>	<b>35</b> <b>Total Value \$1,951,195</b>	<b>59</b> <b>Total Value \$4,696,645</b>	<b>34</b> <b>Total Value \$1,177,021</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 nil 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 2018-2019 Financial Year:

- 12 inspections of food premises were conducted
- 3 inspections of other premises were conducted
- 2 written warnings were issued
- 4 high risk manufactured water systems (warm water systems) were inspected and renewed for 2017-2018.
- 4 wastewater system applications were approved in 2018-2019.

**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 2018-2019 reporting year, Council received one request under the *Freedom of Information Act 1991* from a Member of Parliament.

Freedom of Information activity								
Reference Number	Date	Applicant	Description	Full Access	Part Access	Other	Fee	Hours
NGO012018	20-Jan-18	Tung Ngo- Parliament House	Address of each property which is defined for rating purposes as either public housing, community housing or housing SA.	Yes	-	-	-	2

Council currently has two (2) FOI Officers (being the Chief Executive Officer and the Executive Assistant) as at 30 June 2019.

### 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 is allocated from the date of inviting involvement to the final closing date for submissions;
- determine responsibility for:
  - implementing the communication and consultation strategy;

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- reporting to Council on the outcomes;
- providing feedback about the decision to participants; and
- ensuring appropriate records are kept.

### Internal Review of Council Decisions

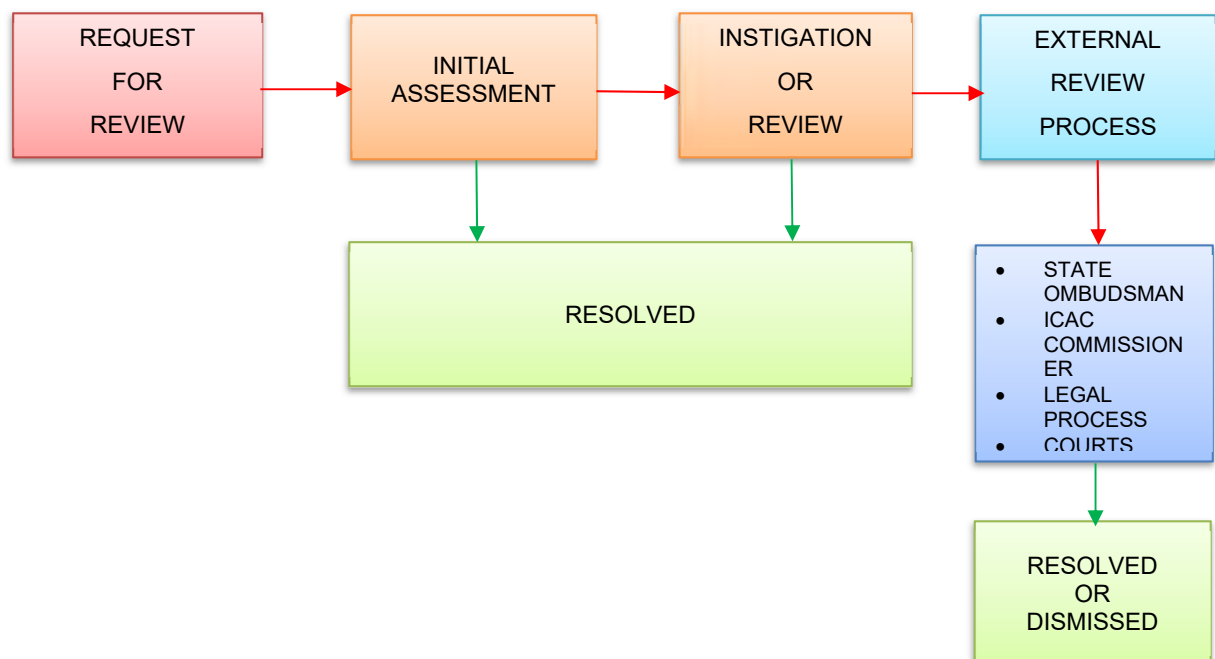
The Flinders Ranges Council is committed to transparent decision-making processes, and to providing access to a fair and objective procedure for the internal review of decisions.

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.



During 2018-2019 reporting year, Council received no requests for the Internal Review of Council Decision under Section 270 of the *Local Government Act 1999*.

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## **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 2018-2019 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 has 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 w Community Plan was adopted by Council at its 18 June 2019 Ordinary Meeting.

During 2018-2019 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 2018-2019 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 2018-2019 was adopted on 12 June 2018.

Council has reviewed the 2018-2019 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 2018-2019.

## **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 2018-2038 was adopted on 12 June 2018.



## 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.

Council has reviewed the Community Land Management Plan during 2018-2019.

## 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 \$21,745 for the 2018-2019 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	Number Conducted During 2017-2018	Number Conducted During 2018-2019
Contractor Induction & Update	36	6
Risk Assessments – Substances	0	2
Risk Assessments – Task	10	8
Risk Assessments – Plant	35	24
Internal Audits	1	0

Safe Work Instructions (SWIs)	3	8
WHS Meetings	5	6
Works Staff Meetings	10	10
Admin Staff Meetings	11	10
Accident / Incident Investigations	41	41
CAPA Register – new items during year	17	97
CAPA Register – Open Items as at 30 June	26	42
WHS Policy / Procedure Reviews	8	11

Council continues to work through its WHS Plan:

WHS/IM Plan 2018-20 Year 1 & 2 Progress								
	Sept	Oct	Dec	Jan	Mar	Jun	July	YTD
Items Planned	3	1	4	4	2	1	2	17
Items Completed	3	1	4	4	2	1	2	17
% Planned Vs Completed	100%	100%	100%	100%	100%	100%	100%	100%

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

A summary compliance calendar for 2018-2019:

Category	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Inspections	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Emergency Preparedness	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Registers & Plan Reviews	100%	100%	100%	100%	100%	60%	67%	100%	100%	100%	100%	100%	100%
Communication Meetings & Reports	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Equipment Checks		100%		100%					100%	100%	100%		
Grand Total	100%	100%	100%	100%	100%	88%	95%	100%	100%	100%	100%	100%	100%

## 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 2018-2019 reporting year.

## STAFF

### Administration

Chief Executive Officer  
 Acting Chief Executive Officer (from 14Jan19)  
 Acting Finance and Administration Manager (from 14Jan19)  
 Rates / Payroll and Administration Officer (to 3 May19)  
 Rates / Payroll and Administration Officer  
 Executive Assistant  
 Administration Officer

Colin Davies  
 Darryl Whicker  
 Sean Cheriton  
 Chris Bowden  
 Julie Rayner  
 Angie Finlay  
 Patricia Robinson

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## Flinders Ranges Visitor Information Centre (FRVIC)

FRVIC Co-ordinator  
Tourism Officers (Casual & part-time)

Jillian Wilson  
Richard Khoe / Liz Collins  
Senga Reed / Tarla Kramer

## Operations

Works Manager (to1Mar19)  
Works Manager (from6May19)  
General Inspector  
Works Clerk (to25Nov18)  
Works Clerk (11Mar19 to 28Jun19)  
Team Leader  
Plant Operators / Maintenance Workers

Bilal Akhtar  
Gregory Stephens  
Dean Brooksby  
Julie Rayner  
Kate-Lyn Wilsonr  
Danny Martin  
Robin Ward (to28Nov18)  
Victor Clark  
Mark Finlay  
Roger Flavel  
Nigel Crisp  
Jackson Wilson (From21Feb19)  
Leigh Yarnall (11Feb19-8May19)  
Michael Kane (to 28Jun19)  
Rosalie French  
Kaye Bradley (to 7Nov18)  
Allyson Crocket  
Shane Grivell (from 10Dec18)

Waste Depot Operator  
Cleaners

## Contract Staff

Planning Consultant  
Building Consultant  
EHO – Food Safety  
EHO – CWMS  
CWMS Technical  
WHS  
Legal Advisors  
Auditor

Yantel Burns (PACC)  
Nick Heron (PACC) / Harmer CLG  
Brian Sickles (PPRC)  
Brian Sickles (PPRC)  
Chris Brideson  
James Holmes (PACC)/Jennifer Window (DCP)  
Norman Waterhouse, Kelledy Jones Lawyers  
Galpins Accountants, Auditors & Business  
Consultants  
Local Government Risk Services

Insurers

## Seasonal Staff

Pool Supervisors (Nov – Mar)

Kiandra Wastell, Jade Wastell-Stevens, Jaquarra  
Chapman, Barry Moody Andrea McCallum / Jared  
Hilder

## Senior Officers (included above)

The Chief Executive Officer is paid to compensate for time worked outside normal office hours. Council also meets the cost of rental for the telephone, internet and cost of professional memberships.

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

The Finance and Administration Manager is paid to compensate for time worked outside normal office hours. Council also meets the cost of telephone plan rental to the value of \$39 per month, the manager provides his own phone and is responsible for any work related calls up to the value of the Plan.

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 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, Orroroo 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)

### 2019 Australia Day Awards

The following 2019 Australia Day Awards were made by Council:

Citizen of the Year	Carlene Voight
Young Citizen of the Year	James Chapman
Community Event of the Year	Craddock Heritage and War Memorial

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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)**

Quorn Swimming Pool Reference Committee  
 Hawker Swimming Pool Reference Committee  
 Little Corella Reference Committee  
 Signage Reference Committee  
 Policy Review Reference Committee  
 Works Review Reference 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 2012	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	May 2018	May 2018
G1.7	Information Privacy	3	July 2012	March 2016
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	July 2012	September 2017
G1.12	Work Health and Safety and Injury Management (LGAWCS)	2	July 2012	January 2018
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	July 2012	May 2017
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	2	July 2012	July 2018
G1.20	Customer Service Goals	3	July 2011	August 2017
G1.21	Accounting for Assets	3	July 2012	July 2018
G1.22	Risk Management	3	July 2012	July 2018
G1.23	Customer Complaints	4	July 2012	August 2017
G1.24	Caretaker Policy	3	June 2010	January 2018
G1.25	Procurement and Disposal Policy	6	May 2011	October 2018
G1.26	Treasury Management	5	May 2013	March 2018
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	January 2014	January 2018
G1.30	Building Inspection	2	October 2014	February 2017
G1.31	Management of Stormwater Across Footpaths	1	December 2015	January 2018
G1.32	Code of Conduct Volunteers	2	October 2014	February 2017
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	August 2016	July 2018
G1.36	Tree Management	1	December 2015	January 2018
G1.37	Closed Circuit Television and Security Camera	1	March 2016	July 2018
G1.38	Informal Gatherings	2	July 2016	December 2016
G1.39	CWMS Hardship Policy & Customer Service Charter	1	July 2016	July 2018
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	May 2018	May 2018

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.

The Policy Review Reference Committee is also proposing a new policy for consideration by Council:



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- Community Grants

## 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 2019 were:

<i>Burial and Cremation Act 2013</i>	Colin Davies Gregory Stephens Daniel Martin
<i>Community Titles Act 1996</i>	Colin Davies Darryl Whicker
<i>Development Act 1993</i>	Colin Davies Yantel Burns Nick Heron Peter Harmer
<i>Dog and Cat Management Act 1995</i>	Colin Davies Gregory Stephens Dean Brooksby Daniel Martin Mark Finlay Roger Flavel
<i>Environment Protection Act 1993</i>	Colin Davies Gregory Stephens
<i>Expiation of Offences Act 1996</i>	Colin Davies Gregory Stephens Darryl Whicker Dean Brooksby Brian Sickles
<i>Fences Act 1975</i>	Colin Davies Darryl Whicker
<i>Fire and Emergency Services Act 2005</i>	Colin Davies Mark Finlay Dean Brooksby
<i>Food Act 2001</i>	Colin Davies Brian Sickles
<i>Freedom of Information Act 1991</i>	Colin Davies Angie Finlay
<i>Graffiti Control Act 2001</i>	Colin Davies Gregory Stephens Dean Brooksby
<i>Heavy Vehicle National Law (SA) Act 2013</i>	Colin Davies Gregory Stephens
<i>Housing Improvement Act 1940</i>	Colin Davies Darryl Whicker
<i>Impounding Act 1920</i>	Colin Davies Gregory Stephens Dean Brooksby
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Colin Davies Darryl Whicker
<i>Liquor Licensing Act 1997</i>	Colin Davies Darryl Whicker



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*Local Government Act 1999*

Colin Davies  
Darryl Whicker  
Gregory Stephens  
Dean Brooksby

*Local Nuisance and Litter Control Act 2016*

Brian Sickles  
Colin Davies  
Gregory Stephens  
Dean Brooksby

*Natural Resources Management Act 2004*

Colin Davies  
Gregory Stephens  
Colin Davies  
Gregory Stephens

*Private Parking Areas Act 1986*

Dean Brooksby  
Colin Davies  
Darryl Whicker  
Colin Davies

*Real Property Act 1886*

Gregory Stephens  
Daniel Martin  
Colin Davies  
Gregory Stephens

*Roads (Opening and Closing) Act 1991*

Colin Davies  
Brian Sickles  
Colin Davies  
Brian Sickles

*Road Traffic Act 1961*

Colin Davies  
Darryl Whicker  
Colin Davies  
Darryl Whicker

*Safe Drinking Water Act 2012*

Colin Davies  
Gregory Stephens  
Brian Sickles  
Colin Davies

*South Australian Public Health Act 2011*

Gregory Stephens  
Brian Sickles  
Colin Davies  
Gregory Stephens

*Strata Titles Act 1988*

James Holmes  
Daniel Martin  
Jillian Wilson  
Nigel Crisp

*Supported Residential Facilities Act 1992*

*Unclaimed Goods Act 1987*

*Water Industry Act 2012*

*Work Health and Safety Act 2012*

# The Flinders Ranges Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

---

*An engaging community which enjoys a sustainable,  
contemporary lifestyle and flourishing economy within an  
unspoilt natural environment.*



# The Flinders Ranges Council

## General Purpose Financial Statements for the year ended 30 June 2019

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# The Flinders Ranges Council

## General Purpose Financial Statements for the year ended 30 June 2019

### 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 2019 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: 4 May 2020**

# The Flinders Ranges Council

## General Purpose Financial Statements for the year ended 30 June 2019

### 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 2019.

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 specialise 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 2019

\$	Notes	2019	2018
<b>Income</b>			
Rates Revenues	2a	2,329,553	2,222,028
Statutory Charges	2b	31,119	49,170
User Charges	2c	107,185	99,868
Grants, Subsidies and Contributions	2g	1,887,076	1,655,354
Investment Income	2d	85,174	82,362
Reimbursements	2e	60,297	33,951
Other Income	2f	484,521	506,397
<b>Total Income</b>		<b>4,984,925</b>	<b>4,649,130</b>
<b>Expenses</b>			
Employee Costs	3a	1,472,881	1,520,048
Materials, Contracts & Other Expenses	3b	2,841,607	2,452,630
Depreciation, Amortisation & Impairment	3c	1,511,060	1,523,742
Finance Costs	3d	65,510	72,107
<b>Total Expenses</b>		<b>5,891,058</b>	<b>5,568,526</b>
<b>Operating Surplus / (Deficit)</b>		<b>(906,133)</b>	<b>(919,396)</b>
Asset Disposal & Fair Value Adjustments	4	45,042	22,896
Amounts Received Specifically for New or Upgraded Assets	2g	371,514	1,465,842
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>(489,577)</b>	<b>569,342</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 Comprehensive Income</b>		<b>(489,577)</b>	<b>569,342</b>
<b>AASB1004 Recognition</b>			
Fin. Assistance Grants & Supp. Road Funding Received in Advance	2ga, 8aa	279,275	39,062
<b>Operating Surplus / (Deficit) adjusted for AASB1004</b>		<b>(626,858)</b>	<b>(880,334)</b>
Grants Received in Advance (CCTV)	2ga, 8aa	-	(38,882)
<b>Total AASB1004 Adjustments</b>		<b>279,275</b>	<b>180</b>
<b>Total Comprehensive Income after AASB1004</b>		<b>(210,302)</b>	<b>569,521</b>

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

# The Flinders Ranges Council

## Statement of Financial Position

as at 30 June 2019

\$	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	3,327,155	3,259,832
Trade & Other Receivables	5b	623,682	470,397
Inventories	5c	355,813	503,524
<b>Total Current Assets</b>		<b>4,306,650</b>	<b>4,233,753</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	30,193	34,939
Infrastructure, Property, Plant & Equipment	7a	53,076,375	53,127,592
Other Non-Current Assets	6b	305,613	521,394
<b>Total Non-Current Assets</b>		<b>53,412,181</b>	<b>53,683,925</b>
<b>TOTAL ASSETS</b>		<b>57,718,831</b>	<b>57,917,679</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	1,616,340	992,518
Borrowings	8b	869,356	214,155
Provisions	8c	858,594	1,089,336
<b>Total Current Liabilities</b>		<b>3,344,290</b>	<b>2,296,009</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	134,730	889,151
Provisions	8c	29,917	33,048
<b>Total Non-Current Liabilities</b>		<b>164,647</b>	<b>922,199</b>
<b>TOTAL LIABILITIES</b>		<b>3,508,937</b>	<b>3,218,207</b>
<b>Net Assets</b>		<b>54,209,894</b>	<b>54,699,471</b>
<b>EQUITY</b>			
Accumulated Surplus		15,571,499	15,902,633
Asset Revaluation Reserves	9a	35,764,708	35,764,708
Other Reserves	9b	2,873,687	3,032,130
<b>Total Council Equity</b>		<b>54,209,894</b>	<b>54,699,471</b>



# The Flinders Ranges Council

## Statement of Changes in Equity for the year ended 30 June 2019

		Asset		
\$	Notes	Accumulated Surplus	Revaluation Reserve	Other Reserves
				Total Equity
<b>2019</b>				
<b>Balance at the end of previous reporting period</b>		15,902,633	35,764,708	3,032,130
<b>a. Net Surplus / (Deficit) for Year</b>		(489,577)	-	-
<b>Total Comprehensive Income</b>		<b>(489,577)</b>	<b>-</b>	<b>-</b>
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>
<b>2018</b>				
<b>Balance at the end of previous reporting period</b>		14,612,093	35,764,708	3,753,328
<b>a. Net Surplus / (Deficit) for Year</b>		569,342	-	-
<b>Total Comprehensive Income</b>		<b>569,342</b>	<b>-</b>	<b>-</b>
b. Transfers between Reserves		721,198	-	(721,198)
<b>Balance at the end of period</b>		<b>15,902,633</b>	<b>35,764,708</b>	<b>3,032,130</b>

# The Flinders Ranges Council

## Statement of Cash Flows

for the year ended 30 June 2019

\$	Notes	2019	2018
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Operating Receipts		5,355,779	5,008,856
Investment Receipts		85,174	82,362
<b><u>Payments</u></b>			
Operating Payments to Suppliers and Employees		(4,384,610)	(4,985,028)
Finance Payments		(66,834)	(75,112)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>989,509</b>	<b>31,077</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		371,514	1,465,842
Sale of Replaced Assets		114,864	115,182
Repayments of Loans by Community Groups		4,542	4,347
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(270,951)	(868,488)
Expenditure on New/Upgraded Assets		(1,042,934)	(1,530,939)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(822,965)</b>	<b>(814,057)</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		(219,221)	(203,782)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(99,221)</b>	<b>(203,782)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>67,323</b>	<b>(986,761)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>3,259,832</b>	<b>4,246,593</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>3,327,155</b>	<b>3,259,832</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 1. Summary of Significant Accounting Policies

---

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15 October 2019.

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 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 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

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. AASB 1004 recognition comparatives are shown within the Statements and Notes as applicable (Notes 2 and 8).

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.

The actual amounts of untied grants received during the reporting periods are disclosed in Note 2.

#### 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.

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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 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 periodically 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.

##### 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 periodically.

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

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

#### *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

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).

For 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.

##### 7.2 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.

#### 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".



## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

---

#### 9 Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based 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

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

#### 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.



# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

#### 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 accounting standards and UIG 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.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure,

Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

***The standards that are expected to have a material impact upon Council's future financial statements are:***

**Effective for annual reporting periods beginning on or after 1 July 2019**

- AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. This is consistent with Council's present recognition practices.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Where Council receives grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had a minimal and non-material impact given Council's current recognition practices.

It is also noted that a range of new disclosures will also be required by the new standards in respect of the council's revenue.

#### Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

- AASB 16 Leases – The Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its consolidated financial statements, however, the

actual impacts may differ as the new accounting policies are subject to change until the Council presents its first financial statements that include the date of initial application.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

It is specifically noted that Council currently has no operating or finance leases and has not done so for a considerable time.

Based on Council's assessment and current practices, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have no impact on the financial statements.

It is noted that Council is the lessee of a number of Deed of Grant in Trust leases for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect not to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

#### Transition method

The Council intends to apply AASB 16 from 1 July 2019, using the modified retrospective approach. As such, any cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

The Council intends to apply the practical expedient for the definition of a lease on transition. This means that it will apply AASB 16 on transition only to contracts that were previously identified as leases applying AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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**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.**

***The standards expected to have an impact, whether material or non-material, upon Council's future financial statements are:***

**Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1058 Income of Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

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

- AASB 17 Insurance Contracts
- AASB 17 Insurance Contracts (Appendix D)

### 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 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 2019

### Note 2. Income

\$	Notes	2019	2018
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		1,873,198	1,791,573
Less: Mandatory Rebates		(86,808)	(71,911)
<b>Total General Rates</b>		<b>1,786,390</b>	<b>1,719,662</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		44,690	43,512
Waste Collection		229,435	192,900
Community Wastewater Management Systems		243,530	240,720
<b>Total Other Rates</b>		<b>517,655</b>	<b>477,132</b>
<b>Other Charges</b>			
Penalties for Late Payment		25,508	25,254
<b>Total Other Charges</b>		<b>25,508</b>	<b>25,254</b>
Less: Discretionary Rebates, Remissions & Write Offs		-	(20)
<b>Total Rates Revenues</b>		<b>2,329,553</b>	<b>2,222,028</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		11,299	23,047
Animal Registration Fees & Fines		16,672	22,976
Other Licences, Fees & Fines		2,938	3,146
<b>Total Statutory Charges</b>		<b>31,119</b>	<b>49,170</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		16,766	24,040
Hall & Equipment Hire		8,616	8,767
Sundry		8,061	2,188
Swimming Pools		36,922	34,830
Community Bus Hire		4,788	5,656
Waste Management		18,573	17,097
Airport Fees		2,099	224
Film Industry Support		1,522	7,068
Marathon Entry Fees		9,838	-
<b>Total User Charges</b>		<b>107,185</b>	<b>99,868</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 2. Income (continued)

\$	Notes	2019	2018
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		82,954	79,517
- Banks & Other		572	999
- Loans to Community Groups		1,648	1,846
<b>Total Investment Income</b>		<b>85,174</b>	<b>82,362</b>
<b>(e). Reimbursements</b>			
Private Works		4,178	6,108
Shared Services Fees		18,246	11,999
Recreation & Sport - Oval		7,270	10,910
Workers Insurance		-	-
Other		30,603	4,934
<b>Total Reimbursements</b>		<b>60,297</b>	<b>33,951</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		59,163	71,663
Rebates & Incentives Received		39,371	59,164
Sundry		12,728	13,854
Commercial Income		37,748	44,735
Donations		10,710	10,826
Outback Community Authority		21,441	20,938
FRVIC		270,359	266,990
Warren's Gorge		21,092	18,227
NRWMF		11,000	-
Other		909	-
<b>Total Other Income</b>		<b>484,521</b>	<b>506,397</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		371,514	1,465,842
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>371,514</b>	<b>1,465,842</b>
Other Grants, Subsidies and Contributions		1,729,443	1,506,006
Sundry		7,500	-
Individually Significant Item - Additional Grants Commission Payment (refer below)		150,133	149,348
<b>Total Other Grants, Subsidies and Contributions</b>		<b>1,887,076</b>	<b>1,655,354</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>2,258,590</b>	<b>3,121,196</b>

## (ga). AASB1004 Recognition - Grants, Subsidies, Contribution

Amounts Received Specifically for New or Upgraded Assets - AASB1004 adjustment	-	(38,882)
Other Grants, Subsidies and Contributions - AASB1004 adjustment	279,275	39,062
<b>Total Grants, Subsidies, Contributions - AASB1004 adjustments</b>	<b>279,275</b>	<b>180</b>
<b>AASB1004 adjusted Total Grants, Subsidies, Contributions</b>	<b>2,537,865</b>	<b>3,121,376</b>

The functions to which these grants relate are shown in Note 12.

### (i) Sources of grants

Commonwealth Government	2,138,790	3,055,992
State Government	116,801	65,204
Other	2,999	-
<b>Total</b>	<b>2,258,590</b>	<b>3,121,196</b>

### AASB1004 adjusted Sources of grants

Commonwealth Government	2,418,065	3,075,054
State Government	116,801	46,322
Other	3,000	-
<b>Total</b>	<b>2,537,866</b>	<b>3,121,376</b>

\*In accordance with the Accounting Standard AASB 1004, not for profit entities must recognise a contribution immediately as revenue when it has control or the right to receive the contribution.

For this reason, the first instalment of the 2019-2020 Financial Assistance Grants, which was receipted by the Council in June 2019, must be recognised as revenue in the 2019-2020 financial year, and other Commonwealth grants received but not expended during 2019-2020 must be recorded as revenue in the 2019-2020 financial year. The impact of these adjustments is illustrated above.

As a result of the above, the Council's operating surplus / (deficit) and total comprehensive income have been restated on the Statement of Comprehensive Income. See also Note 8 (aa).

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 2. Income (continued)

\$	Notes	2019	2018
<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>		219,708	465,089
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		-	(390,230)
Heritage & Cultural Services		(59,270)	(67,500)
Sporting & Recreation Services		(160,438)	(7,359)
<b>Subtotal</b>		<b>(219,708)</b>	<b>(465,089)</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	59,270
Sporting & Recreation Services		-	160,438
Medical Workforce		20,000	-
<b>Subtotal</b>		<b>27,546</b>	<b>219,708</b>
<b>Unexpended at the close of this reporting period</b>		<b>27,546</b>	<b>219,708</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>(192,162)</b>	<b>(245,381)</b>



# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 3. Expenses

\$	Notes	2019	2018
<b>(a). Employee Costs</b>			
Salaries and Wages		1,266,302	1,257,653
Employee Leave Expense		101,317	143,967
Superannuation - Defined Contribution Plan Contributions	18	113,721	111,678
Workers' Compensation Payments		-	10,557
Less: Capitalised and Distributed Costs		(8,459)	(3,808)
<b>Total Operating Employee Costs</b>		<b>1,472,881</b>	<b>1,520,048</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		23,190	27,307
Elected Members' Expenses		91,333	78,178
Election Expenses		13,009	9,438
<b>Subtotal - Prescribed Expenses</b>		<b>127,532</b>	<b>114,923</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		1,015,530	988,686
Energy - Fuel & Power		77,581	96,137
Plant and Equipment Capital Purchases		308,078	506,697
Legal Expenses		11,020	13,623
Levies Paid to Government - NRM levy		44,412	43,452
Levies - Other		4,613	4,036
Parts, Accessories & Consumables		40,533	40,314
Professional Services		27,824	20,141
Sundry		439,361	322,444
Waste Management		221,126	245,851
Insurance		177,371	87,588
Vehicle Maintenance		53,274	125,305
FBT		21,971	11,831
FRVIC		305,120	190,338
Workers Compensation Insurance		60,002	63,346
LG Systems Contract		44,250	55,650
Rubble / Crushed Rock		810	(42,887)
Infrastructure Construction & Maintenance		1,150,066	1,201,591
CWMS		73,568	7,770
Building Upgrades		87,110	156,982
Water		71,661	76,844
Less: Capitalised and Distributed Costs		(1,521,206)	(1,878,034)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>2,714,075</b>	<b>2,337,706</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>2,841,607</b>	<b>2,452,630</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 3. Expenses (continued)

\$	Notes	2019	2018
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings		743,312	771,532
Infrastructure		520,285	505,022
CWMS		72,354	72,354
Plant & Equipment		140,924	149,451
Furniture & Fittings		34,185	25,383
<b>Total Depreciation, Amortisation and Impairment</b>		<b>1,511,060</b>	<b>1,523,742</b>
<b>(d). Finance Costs</b>			
Interest on Loans		65,510	72,107
<b>Total Finance Costs</b>		<b>65,510</b>	<b>72,107</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$	Notes	2019	2018
Infrastructure, Property, Plant & Equipment			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		114,864	115,182
Less: Carrying Amount of Assets Sold		(69,822)	(92,286)
<b>Gain (Loss) on Disposal</b>		<b>45,042</b>	<b>22,896</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>45,042</b>	<b>22,896</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 5. Current Assets

\$	Notes	2019	2018
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		18,082	33,291
Deposits at Call		309,073	401,442
Short Term Deposits & Bills, etc.		3,000,000	2,825,099
<b>Total Cash &amp; Cash Equivalents</b>		<b>3,327,155</b>	<b>3,259,832</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		357,554	341,076
Accrued Interest		18,099	3,006
Debtors - General		99,690	55,670
Prepayments		4,758	-
Loans to Community Organisations		4,747	4,542
Accrued Income - ATO		4,272	66,103
Accrued Income - NRWFM Grants		134,562	-
<b>Total Trade &amp; Other Receivables</b>		<b>623,682</b>	<b>470,397</b>
<b>(c). Inventories</b>			
Stores & Materials		312,990	474,604
Trading Stock		42,823	28,920
<b>Total Inventories</b>		<b>355,813</b>	<b>503,524</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 6. Non-Current Assets

\$	Notes	2019	2018
(a). Financial Assets			
<b>Receivables</b>			
Loans to Community Organisations		30,193	34,939
<b>Total Receivables</b>		<b>30,193</b>	<b>34,939</b>
<hr/>			
<b>Total Financial Assets</b>		<b>30,193</b>	<b>34,939</b>
 (b). Other Non-Current Assets			
<b>Other</b>			
Capital Works-in-Progress		305,613	521,394
<b>Total Other Non-Current Assets</b>		<b>305,613</b>	<b>521,394</b>

The Flinders Ranges Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2018					Asset Movements during the Reporting Period				as at 30/6/2019				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals					Dep'n	Impairment	
Land	2	1,641,465	-	-	-	1,641,465	-	-	-	-	1,641,465	-	-	-	1,641,465
Land	3	1,207,899	-	-	-	1,207,899	-	-	-	-	1,207,899	-	-	-	1,207,899
Buildings	3	28,673,188	156,982	16,191,924	-	12,638,246	482,968	-	-	(743,312)	28,673,188	639,947	16,935,236	-	12,377,899
Infrastructure	3	39,187,037	1,201,591	7,143,599	-	33,245,029	613,456	-	-	(520,285)	39,187,037	1,815,048	7,663,884	-	33,338,201
CWMS	3	4,124,928	-	1,448,141	-	2,676,787	-	-	-	(72,354)	4,124,928	-	1,520,495	-	2,604,433
Plant & Equipment	3	2,560,955	414,332	1,486,079	-	1,489,208	37,127	270,951	(69,822)	(140,924)	2,320,155	722,410	1,456,025	-	1,586,540
Furniture & Fittings	3	242,500	105,129	118,670	-	228,959	125,165	-	-	(34,185)	242,500	230,294	152,855	-	319,939
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>77,637,972</b>	<b>1,878,034</b>	<b>26,388,413</b>	<b>-</b>	<b>53,127,592</b>	<b>1,258,718</b>	<b>270,951</b>	<b>(69,822)</b>	<b>(1,511,060)</b>	<b>77,397,172</b>	<b>3,407,699</b>	<b>27,728,495</b>	<b>-</b>	<b>53,076,375</b>
<b>Comparatives</b>		78,011,999	-	25,146,413	-	<b>52,865,586</b>	1,530,939	347,095	(92,286)	(1,523,742)	77,637,972	1,878,034	26,388,413	-	<b>53,127,592</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### 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 2019

### 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 2019

### 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.

## 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 2019

### Note 8. Liabilities

		2019	2019	2018	2018
\$	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		409,930	-	104,806	-
Payments Received in Advance		1,065,951	-	806,676	-
Accrued Expenses - Employee Entitlements		40,081	-	34,074	-
Accrued Expenses - Finance Costs		18,456	-	19,780	-
Accrued Expenses - Other		39,441	-	27,182	-
Sec 184 Proceeds Held in Trust		42,481	-	-	-
Total Trade and Other Payables		1,616,340	-	992,518	-

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

Payments Received in Advance - AASB1004 adjustment

FAGs Received in Advance	(279,275)	(19,062)
Other Grants Received in Advance (CCTV)	-	38,882
Other Grants Received in Advance (PRRPS)	-	(20,000)
<b>Total AASB1004 Adjustments</b>	<b>(279,275)</b>	<b>(180)</b>

<b>AASB 1004 Adjusted Trade &amp; Other</b>	<b>1,337,065</b>	<b>992,338</b>
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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	869,356	134,730	214,155	889,151
Other	-	-	-	-
<b>Total Borrowings</b>	<b>869,356</b>	<b>134,730</b>	<b>214,155</b>	<b>889,151</b>

All interest bearing liabilities are secured over the future revenues of the Council

### (c). Provisions

Employee Entitlements (including oncosts)	399,836	29,917	424,853	33,048
Future Reinstatement / Restoration, etc	431,212	-	431,212	-
Unspent Grants	27,546	-	219,708	-
Other	-	-	13,563	-
<b>Total Provisions</b>	<b>858,594</b>	<b>29,917</b>	<b>1,089,336</b>	<b>33,048</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 9. Reserves

\$	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
<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>

\$	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
<b>(b). Other Reserves</b>					
NRM Levy	1,474	278	-	-	1,752
Land & Buildings	120,000	2,493	-	-	122,493
Plant Replacement	50,000	1,039	-	-	51,039
Other	1,200,115	74,934	(150,521)	-	1,124,528
Garbage Service Charge	144,243	8,236	-	-	152,479
Stormwater Dams	2,000	42	-	-	2,042
Hawker Swimming Pool	-	-	-	-	-
Legal Costs	5,000	20,104	-	-	25,104
Community Trust Funds	33,267	24,312	(22,690)	-	34,889
Quorn Swimming Pool	-	-	-	-	-
Hawker CWMS Service Charge	246,950	27,018	-	-	273,968
Quorn CWMS Service Charge	1,029,081	-	(37,208)	-	991,873
Airstrips	-	-	-	-	-
Roads	150,000	3,117	(153,117)	-	0
Community Buses	50,000	1,039	-	-	51,039
Sec 184 Proceeds	-	42,481	-	-	42,481
Other Reserves	-	-	-	-	-
<b>Total Other Reserves</b>	<b>3,032,130</b>	<b>205,093</b>	<b>(363,536)</b>	<b>-</b>	<b>2,873,687</b>
<b>Comparatives</b>	<b>3,753,328</b>	<b>444,298</b>	<b>(1,165,496)</b>	<b>-</b>	<b>3,032,130</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 2019

### Note 10. Assets Subject to Restrictions

\$	Notes	2019	2018
<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		1,265,841	1,276,031
Garbage Annual Service Charge		152,479	144,244
NRM Levy		1,752	1,474
Unexpended Grant funds		27,546	219,708
Employee Entitlements		429,753	457,900
<b>Total Cash &amp; Financial Assets</b>		<b>1,877,371</b>	<b>2,099,357</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>1,877,371</b>	<b>2,099,357</b>
<p>The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance:</p>			
Provisions	8	457,299	677,608
<b>Total</b>		<b>457,299</b>	<b>677,608</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2019	2018
<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	3,327,155	3,259,832
<b>Balances per Statement of Cash Flows</b>		<b>3,327,155</b>	<b>3,259,832</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>(489,577)</b>	<b>569,342</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,511,060	1,523,742
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(371,514)	(1,465,842)
Net (Gain) Loss on Disposals		(45,042)	(22,896)
		<b>604,927</b>	<b>604,346</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(153,080)	2,269
Net (Increase)/Decrease in Inventories		147,711	(59,987)
Net Increase/(Decrease) in Trade & Other Payables		623,823	(259,224)
Net Increase/(Decrease) in Unpaid Employee Benefits		(28,148)	(14,224)
Net Increase/(Decrease) in Other Provisions		(205,724)	(242,103)
<b>Net Cash provided by (or used in) operations</b>		<b>989,508</b>	<b>31,077</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 interest 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 2019

### 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 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$										
Administration	3,137,656	3,067,306	60,281	317,278	3,077,375	2,750,029	1,168,129	1,181,629	(0)	0
Public Order & Health	955	23,278	34,850	89,431	(33,896)	(66,153)	3,000	24,500	-	-
Social Security & Welfare	24,735	7,934	31,566	30,565	(6,831)	(22,631)	14,700	-	-	-
Community Amenities	507,944	474,756	1,110,244	945,340	(602,300)	(470,584)	-	-	-	-
Recreation & Culture	194,964	118,137	1,590,292	1,629,015	(1,395,328)	(1,510,879)	92,944	1,111	-	-
Agricultural Services	47,943	43,512	44,412	47,174	3,531	(3,662)	-	-	-	-
Regulatory Services	33,554	51,212	166,244	138,723	(132,690)	(87,511)	-	-	-	-
Transport & Communication	461,675	448,114	1,417,800	1,374,770	(956,125)	(926,656)	461,675	448,114	-	-
Economic Development	425,208	275,703	820,138	537,018	(394,930)	(261,315)	136,695	-	-	-
Not Elsewhere Classified	150,291	139,177	215,777	191,896	(65,486)	(52,719)	9,934	-	-	-
Works Overheads		-	399,452	267,316	(399,452)	(267,316)	-	-	-	-
Other Functions/Activities		-		-	-	-	-	-	57,718,831	57,917,679
<b>Total Functions/Activities</b>	<b>4,984,925</b>	<b>4,649,130</b>	<b>5,891,058</b>	<b>5,568,526</b>	<b>(906,133)</b>	<b>(919,396)</b>	<b>1,887,076</b>	<b>1,655,354</b>	<b>57,718,831</b>	<b>57,917,679</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 2019

### 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,

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### 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 1.25% and **2.47%** (2018: 1.5% and 2.4%). Short term deposits have an average maturity of 82 days and an average interest rate of 1.7% (2018: **9** days and **1.75%**).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

##### 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 interest of 0.5500% (2018: **0.56250%**). 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 2019

### 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.

##### Receivables

##### Retirement Home Contributions

##### 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:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### 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.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 13. Financial Instruments (continued)

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#### Recognised Financial Instruments

##### Liabilities

##### Retirement Home Contributions

##### Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

##### Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

##### Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

##### 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 or variable rates between **3.49%** and **6.65%** (2018: 4.45% and 6.65%).

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Finance 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 2019

### Note 13. Financial Instruments (continued)

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
\$					
<b>2019</b>					
<b><u>Financial Assets</u></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><u>Financial Liabilities</u></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>
\$					
<b>2018</b>					
<b><u>Financial Assets</u></b>					
Cash & Equivalents	3,259,832	-	-	3,259,832	3,259,832
Receivables	129,322	20,307	14,632	164,261	164,261
<b>Total Financial Assets</b>	<b>3,389,154</b>	<b>20,307</b>	<b>14,632</b>	<b>3,424,093</b>	<b>3,424,093</b>
<b><u>Financial Liabilities</u></b>					
Payables	185,842	-	-	185,842	185,842
Current Borrowings	214,155	-	-	214,155	214,155
Non-Current Borrowings	-	874,519	14,632	889,151	889,151
<b>Total Financial Liabilities</b>	<b>399,997</b>	<b>874,519</b>	<b>14,632</b>	<b>1,289,148</b>	<b>1,289,148</b>

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.04%	1,004,086	6.11%	1,103,306
		<b>1,004,086</b>		<b>1,103,306</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.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### 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 2019

### Note 14. Commitments for Expenditure

\$	Notes	2019	2018
<b>Other Expenditure Commitments</b>			
<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	39,846
Employee Remuneration Contracts		1,006,131	1,292,354
		<b>1,026,332</b>	<b>1,332,200</b>
<b>These expenditures are payable:</b>			
Not later than one year		388,832	391,100
Later than one year and not later than 5 years		637,500	941,100
Later than 5 years		-	-
		<b>1,026,332</b>	<b>1,332,200</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$	2019	2019	2018	2017

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	(906,133)	(18%)	(20%)	(30%)
Total Operating Income	4,984,925			

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(472,092)	(9%)	(12%)	(19%)
Total Operating Income	4,984,925			

*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.*

Adjusted Operating Surplus Ratio	(12%)	(19%)	(30%)
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Adjusted Net Financial Liabilities Ratio	(14%)	(12%)	(18%)
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#### 3. Asset Renewal Funding Ratio

Net Asset Renewals	156,087	16%	97%	6%
Infrastructure & Asset Management Plan required expenditure	995,000			

*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.*

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

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><div><div>-2%</div><div>-10%</div><div>-30%</div><div>-20%</div><div>-18%</div></div></div></div></div>	<div><div>Purpose of Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div></div>	<div><div>2018/19 Ratio</div><div>-18%</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><div><div>-15%</div><div>-14%</div><div>-19%</div><div>-12%</div><div>-9%</div></div></div></div></div>	<div><div>Purpose of Net Financial Liabilities Ratio</div><div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div></div>	<div><div>2018/19 Ratio</div><div>-9%</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><div><div>13%</div><div>-33%</div><div>-30%</div><div>-19%</div><div>-12%</div></div></div></div></div>	<div><div>Purpose of Adjusted Operating Surplus Ratio</div><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><div>2018/19 Ratio</div><div>-12%</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><div><div>-28%</div><div>5%</div><div>-18%</div><div>-12%</div><div>-14%</div></div></div></div></div>	<div><div>Purpose of Adjusted Net Financial Liabilities Ratio</div><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><div>2018/19 Ratio</div><div>-14%</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><div><div>15%</div><div>30%</div><div>6%</div><div>97%</div><div>16%</div></div></div></div></div>	<div><div>Purpose of Asset Renewal Funding Ratio</div><div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div></div>	<div><div>2018/19 Ratio</div><div>16%</div></div>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 16. Uniform Presentation of Finances

\$	2019	2018
<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	4,984,925	4,649,130
less Expenses	(5,891,058)	(5,568,526)
<b>Operating Surplus / (Deficit)</b>	<b>(906,133)</b>	<b>(919,397)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(270,951)	(868,488)
<i>add back</i> Depreciation, Amortisation and Impairment	1,511,060	1,523,742
<i>add back</i> Proceeds from Sale of Replaced Assets	114,864	115,182
<b>Subtotal</b>	<b>1,354,973</b>	<b>770,435</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,042,934)	(1,530,939)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	371,514	1,465,842
<b>Subtotal</b>	<b>(671,420)</b>	<b>(65,097)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(222,580)</b>	<b>(214,058)</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 17. Operating Leases

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\$	2019	2018
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#### Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

#### **Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:**

Not later than one year	666	4,000
Later than one year and not later than 5 years	-	12,000
Later than 5 years	-	-
	<u>666</u>	<u>16,000</u>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### 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 2018/19; 9.50% in 2017/18). 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 2017/18) 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 2017. 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 2019

#### Note 19a. 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 19b. Controlled Entities

##### **SUBSIDIARIES**

Council has no interest in any Subsidiaries.

#### 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



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### 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 **\$34,940** (2018: **\$39,481**) 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.

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

for the year ended 30 June 2019

#### Note 22. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2019, 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 04 May 2020.

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

- On 31 January 2020, subsequent to the reporting period, the World Health Organisation (WHO) announced a global health emergency in relation to the 2019 novel coronavirus (COVID-19) outbreak. The Council is managing the potential impacts on operations. These impacts include the closure of the Visitor Information Centre and various other recreational community facilities and amenities, additional cleaning of Council facilities and some employees working from home and from different locations. At the date of this report, an accurate estimate of the financial impact of this event cannot be made. The Council are ensuring adequate financial reserves are in place to manage any financial risks.

# 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

\$	2019	2018
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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	583,588	526,000
Post-Employment Benefits	35,784	67,000
Long-Term Benefits	36,555	48,000
Termination Benefits	-	-
<b>Total</b>	<b>655,927</b>	<b>641,000</b>

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

Of these amounts, \$514,484 has been paid, \$141,013 is payable by Council and \$429 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 one (1) planning and building application during the reporting period. In accordance with the Local Government Act 1999, these persons took no part in the assessment or approval process for this application. Total fees for this application were \$420 with the full amount paid prior to 30 June 2019.

Two (2) Key Management Personnel are on the Executive of the Pichi Richi Railway Preservation Society Inc. Council collected ticket sale income of \$175,055 for the organisation and paid this to the organisation during the reporting period. \$21,404 remained payable to the organisation by Council at 30 June 2019.

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)

\$	2019	2018
<p>Council leases the Visitor Information Centre from the organisation. Council paid the organisation \$12,500 during the reporting period with a further \$12,500 payable to the organisation by Council at 30 June 2019.</p>		
<p>The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.</p>		
<p>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 \$2,512.</p>		
<p>The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.</p>		
<p>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. As at 30 June 2019 an amount of \$134,562 remains payable to Council as the final grant payments.</p>		
<p>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 \$5,822 during the reporting period. No amounts are outstanding at 30 June 2019.</p>		
<p>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.</p>		
<p>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 \$12,678 during the reporting period. At 30 June 2019, a balance of \$484 remained payable by Council. Council also sells product of another business operated by this close family mem on a commission basis. Sales totalled \$995 and commissions of \$96 were received during the reporting period, with \$ in sale payable and \$35 in commissions receivable as at 30 June 2019.</p>		
<p>Two (2) Key Management Personnel are members of the Board of Regional Development Australia Far North. During the reporting period, Council made payments of \$21,897 to the organisation. As at 30 June 2019, no amounts were outstanding.</p>		
<p>One (1) Key Management Personnel is on the Board of Hawker Community Development Board Inc. During the reporting period, Council received \$1,915 from the organisation for cleaning, electricity and freight reimbursements. Council made payments of \$20 to the organisation for subscription and materials. As at 30 June 2019, an amount of \$465 remained payable to Council by the organisation.</p>		
<p>The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.</p>		
<p>One (1) Key Management Personnel is on the Board of Wirreanda Cottage. During the reporting period, Council provided the organisation with a \$2,310 discretionary rate rebate. As at 30 June 2019, no amounts were outstanding.</p>		

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 24. Reconciliation of Grants Received

\$	Notes	Opening Balance	Movements Received	Expended	Closing Balance
This note has been made available for specific Council Notes.					
<b>Grants</b>					
<b>General Purpose - Commonwealth</b>					
Grants Commission Grant - General Purpose		-	1,168,129	(1,168,129)	-
Grants Commission Grant - Local Roads		-	461,695	(461,695)	-
<b>Total General Purpose Grants</b>		-	<b>1,629,824</b>	<b>(1,629,824)</b>	-
<b>Specific Purpose</b>					
Country SA PHN		-	14,700	(14,700)	-
Libraries		-	1,119	(1,119)	-
Medical Workforce		-	20,000	-	20,000
Craddock Heritage Signs		-	2,535	-	2,535
Hawker Courts		-	68,000	(68,000)	-
FRRR 500 Miles of Music		-	19,000	(15,689)	3,311
Craddock Memorial Shelter		-	23,804	(23,804)	-
Quorn and Hawker Walks		-	96,506	(96,506)	-
Hawker Aerodrome		-	9,934	(9,934)	-
Dog Park		-	3,000	(3,000)	-
DPC - PRRPS Review		-	20,000	(20,000)	-
DVA - Bruce Honour Board		-	4,500	(4,500)	-
Arts SA - Christmas Pageant		-	1,700	-	1,700
<b>Total Specific Purpose Grants</b>		-	<b>284,798</b>	<b>(257,252)</b>	<b>27,546</b>
<b>Total Other Grants</b>		-	<b>1,914,622</b>	<b>(1,887,076)</b>	<b>27,546</b>
<b>Comparatives</b>		<b>74,859</b>	<b>1,655,354</b>	<b>(1,730,213)</b>	-

### Grants Specifically for New/Upgraded Assets

<b>Specific Purpose</b>					
Skate Park		-	142,783	(142,783)	-
CCTV		-	12,960	(12,960)	-
Hawker Gymnasium		-	215,771	(215,771)	-
<b>Total Grants Specifically for New/Upgraded Assets</b>		-	<b>371,514</b>	<b>(371,514)</b>	-
<b>Comparatives</b>		<b>390,230</b>	<b>1,465,842</b>	<b>(1,856,072)</b>	-

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 25. Material Budget Variations

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This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual Results for the year as per the Income Statement - even though such variations may have been adjusted for during each Budget Review.

**Note that for Variations\* of Budget to Actual :**

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

**F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$	2019 Budget	2019 Actual	2019 Variance*	
<b>REVENUES</b>				
<b>Rates Revenues</b>	<b>2,321,600</b>	<b>2,329,553</b>	<b>7,953</b>	<b>0%</b> <b>F</b>
<b>Statutory Charges</b>	<b>38,800</b>	<b>31,119</b>	<b>(7,681)</b>	<b>(20%)</b> <b>U</b>
Development Fee Income significantly lower than Budgeted.				
<b>User Charges</b>	<b>76,500</b>	<b>107,185</b>	<b>30,685</b>	<b>40%</b> <b>F</b>
Pichi Richi Marathon Entry Fees not Budgeted. Rural Refuse and Recycling Pick Up charges not included in Budget calculations. Facility hire fees higher than Budgeted				
<b>Grants, Subsidies &amp; Contributions</b>	<b>1,692,100</b>	<b>1,887,076</b>	<b>194,976</b>	<b>12%</b> <b>F</b>
More grants received than anticipated in Budget				
<b>Investment Income</b>	<b>44,300</b>	<b>85,174</b>	<b>40,874</b>	<b>92%</b> <b>F</b>
Cash holdings as a result of additional grants and delayed project expenditures resulted in additional funds available for investment. Conservative approach also taken in Budget.				
<b>Reimbursements</b>	<b>62,300</b>	<b>60,297</b>	<b>(2,003)</b>	<b>(3%)</b> <b>U</b>
<b>Other Income</b>	<b>409,600</b>	<b>484,521</b>	<b>74,921</b>	<b>18%</b> <b>F</b>
Other revenue items received that were not budgeted for or were conservatively estimated.				
<b>EXPENSES</b>				
<b>Employee Costs</b>	<b>1,946,200</b>	<b>1,472,881</b>	<b>(473,319)</b>	<b>(24%)</b> <b>U</b>
Full employment structure as Budgeted not in place for entirety of year, several employees took extended periods of leave during the year. Less labour capitalised than Budgeted (used contractors in some cases).				
<b>Materials, Contracts &amp; Other Expenses</b>	<b>2,491,300</b>	<b>2,841,607</b>	<b>350,307</b>	<b>14%</b> <b>F</b>
Contractors used for employee vacancies and leave periods. Additional unbudgeted expenditure associated with unbudgeted grants received.				
<b>Depreciation, Amortisation &amp; Impairment</b>	<b>1,552,600</b>	<b>1,511,060</b>	<b>(41,540)</b>	<b>(3%)</b> <b>U</b>
<b>Finance Costs</b>	<b>69,400</b>	<b>65,510</b>	<b>(3,890)</b>	<b>(6%)</b> <b>U</b>
<b>CAPITAL REVENUES / EXPENSES</b>				
<b>Asset Disposal &amp; Fair Value Adjustments</b>	<b>-</b>	<b>45,042</b>	<b>45,042</b>	<b>0%</b> <b>F</b>
<b>Amounts Received for New/Upgraded Assets</b>	<b>-</b>	<b>371,514</b>	<b>371,514</b>	<b>0%</b> <b>F</b>

# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 26. Financial Commentary & Review

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

<b>Financial Performance Figures</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Inflows:</b>					
Rates	<b>2,329,553</b>	2,222,028	2,150,716	2,094,411	2,050,969
Statutory Charges	<b>31,119</b>	49,170	40,791	36,252	34,897
User Charges	<b>107,185</b>	99,868	79,403	83,328	80,106
Grants, Subsidies & Contributions	<b>1,887,076</b>	1,655,354	1,495,840	1,584,685	1,620,397
Investment Income	<b>85,174</b>	82,362	97,668	95,035	95,900
Total Income from Continuing Operations	<b>4,984,925</b>	4,649,130	4,409,886	4,361,481	4,374,298
Sale Proceeds from I,PP&E	<b>486,378</b>	1,581,024	679,890	1,154,090	-
New Loan Borrowings & Advances	<b>120,000</b>	-	-		750,000
<b>Outflows:</b>					
Employee Costs	<b>1,472,881</b>	1,520,048	1,665,349	1,232,343	1,526,121
Materials, Contracts & Other Expenses	<b>2,841,607</b>	2,452,630	2,479,601	2,211,089	1,520,454
Finance Costs	<b>65,510</b>	72,107	83,455	92,840	94,707
Total Expenses from Continuing Operations	<b>5,891,058</b>	5,568,526	5,731,550	4,776,887	4,478,110
Total Cash purchases of I,PP&E	<b>(1,313,884)</b>	(2,399,427)	(755,168)	(1,766,243)	(3,830,542)
Total Loan Repayments (incl. Finance Leases)	<b>(219,221)</b>	(203,782)	(195,966)	(158,479)	(130,039)
Operating Surplus/(Deficit) (excl. Capital Income)	<b>(906,133)</b>	(919,396)	(1,321,664)	(415,406)	(103,813)
<b>Financial Position Figures</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Current Assets	<b>4,306,650</b>	4,233,753	5,162,601	4,146,966	4,536,412
Current Liabilities	<b>3,344,291</b>	2,296,009	2,778,059	1,682,652	2,094,461
Net Current Assets	<b>962,359</b>	1,937,743	2,384,542	2,464,314	2,441,951
Cash & Investments	<b>3,327,155</b>	3,259,832	4,246,593	3,229,917	2,857,871
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	<b>1,004,086</b>	1,103,306	1,307,088	1,503,054	1,661,533
Total Value of I,PP&E (excl. Land & Land Imp'ments)	<b>80,804,871</b>	79,516,006	78,011,999	76,293,901	74,645,157
Total Accumulated Depreciation	<b>27,728,495</b>	26,388,413	25,146,413	19,635,998	18,458,833
Indicative Remaining Useful Life (as a % of GBV)	66%	67%	68%	74%	75%

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



# The Flinders Ranges Council

## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### 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

##### 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

Colin Davies

##### PUBLIC OFFICER

Colin Davies

##### AUDITORS

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

#### Elected Members

##### MAYOR

Peter Slattery

##### 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 Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5290  
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E: admin@galpins.com.au

## Stirling

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F: (08) 8339 1266  
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

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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 2019, 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 2019, 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

15 / 05 / 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 2018 to 30 June 2019 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 2018 to 30 June 2019.

##### 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 2018 to 30 June 2019. 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 2018 to 30 June 2019. 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

15 / 05 / 2020

## The Flinders Ranges Council

### General Purpose Financial Statements

for the year ended 30 June 2019

### 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 2019, the Council's Auditor, Galpins Accountants, Auditors and Business Consultants ha 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



Richard Perkins  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 4 May 2020

# The Flinders Ranges Council

## General Purpose Financial Statements

for the year ended 30 June 2019

### Statement by Auditor

I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2019, 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*.



---

Tim Muhlhaausler

**Galpins Accountants, Auditors and Business Consultants**

**Dated this** 28<sup>th</sup> **day of** April **2020.**





## FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT

### For the Financial Year ending 30 June 2019

The Terms of Reference for the Flinders Regional Development 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 financial year ending 30 June 2019, there were nil (0) applications referred to the Panel, and the Panel did not meet on any occasion.

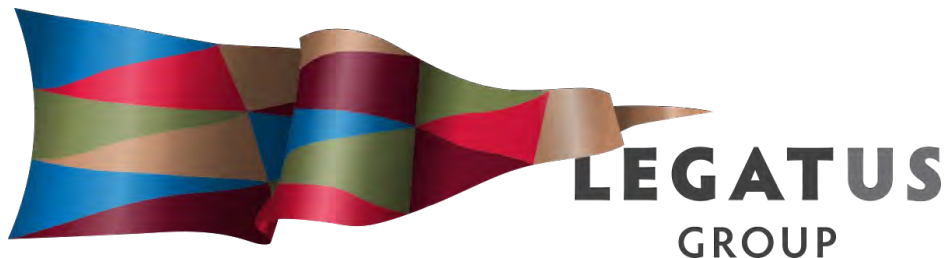
As required, the following tables summarise the level of attendance of Panel Members at meetings and the activity and performance of the Panel in decision making.

Panel Member Attendance				
Member	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms. Shanti Ditter	0	0	0	0
Cr. Kevin Woolford (FRC)	0	0	0	0
Mr. John Brak	0	0	0	0

Panel Activity - Applications						
Constituent Council	Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	0	0	0	0	0	0
District Council of Mount	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>

PP  
**Colin Davies**  
Public Officer and Assessment Manager





## **2018/2019 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.

The Legatus Group AGM was held on Friday 30 August 2019 and adopted the report.

### **2018/2019 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: 08 88421385 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 (Mayor / Chairman) of the Constituent Councils which for 2018/2019 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty until 9 November 2018 Mayor Mark Wasley from 9 November 2018
Barunga West Council	Mayor Cynthia Axford until 9 November 2018 Mayor Leonie Kerley from 9 November 2018
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM until 9 November 2018 Mayor Wayne Thomas from November 2018
Copper Coast Council	Mayor Paul Thomas AM until 9 November 2018 Mayor Roslyn Talbot from 9 November 2018
District Council of Mount Remarkable	Mayor Colin Nottle until 9 November 2018 Mayor Phillip Heaslip from 9 November 2018
District Council of Orroroo Carrieton	Chairman 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 John Rohde until 9 November 2018 Mayor Leon Stephens from 9 November 2018
Regional Council of Goyder	Mayor Peter Matthey OAM
The Barossa Council	Mayor Bob Sloane until 9 November 2018 Mayor Bim Lange from 9 November 2018
The Flinders Ranges Council	Mayor Peter Slattery

<b>Wakefield Regional Council</b>	<b>Mayor Rodney Reid</b>
<b>Yorke Peninsula Council</b>	<b>Mayor Ray Agnew OAM until 9 November 2018</b> <b>Mayor Darren Braund from 9 November 2018</b>

#### **Office Bearers for 2017/18**

<b>Chairman:</b>	<b>Mayor Peter Matthey OAM</b>
<b>Deputy Chairs:</b>	<b>Chairman Kathie Bowman</b> <b>Mayor Bob Sloane until 9 November 2018</b> <b>Mayor Bill O'Brien from 9 November 2018</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 Newberry and Associates</b>

#### **Meetings of the Legatus Group**

The following meetings of the Board of Management were held during the 2018/19 year:

- Annual General Meeting 17 August 2018
- Ordinary Meeting 17 August 2018
- Ordinary Meeting 12 December 2018
- Ordinary Meeting 15 February 2019
- Ordinary Meeting 31 May 201

**There were four committees in 2018/2019 and all agendas and minutes are published on the Legatus Group Website and minutes were provided to the Legatus Group meetings.**

Committee	Members	Meeting Dates
Audit Committee	<ul style="list-style-type: none"> <li>• Mayor Ray Agnew (Chair) until 9/11/18</li> <li>• Chair Kathie Bowman</li> <li>• Mayor Colin Nottle until 9/11/18</li> <li>• Mr Colin Davies until 1/12/18</li> <li>• Mr Peter Ackland</li> <li>• Mayor Denis Clark from 30/1/19</li> <li>• Mr Ian McDonald from 30/4/19</li> </ul>	3 August 2018 30 November 2018 30 January 2019 30 April 2019
Management Group (Council CEOs)	<ul style="list-style-type: none"> <li>• Mr Colin Byles (Northern Areas) (Chair)</li> <li>• Mr James Miller (Adelaide Plains)</li> <li>• Mr Martin McCarthy (Barossa)</li> <li>• Mr Andrew Cole (Barunga West)</li> <li>• Dr Helen Macdonald (Clare &amp; Gilbert Valleys)</li> <li>• Mr Peter Harder (Copper Coast) replaced by Mr Russell Peate</li> <li>• Mr Colin Davies (Flinders Ranges)</li> <li>• Mr David Stevenson (Goyder)</li> <li>• Mr Brian Carr (Light)</li> <li>• Mr Wayne Hart (Mt Remarkable)</li> <li>• Mr Kristen Clark (Orroroo/Carrieton) replaced by Mr Dylan Strong</li> <li>• Mr Peter McGuinness (Peterborough)</li> <li>• Mr Peter Ackland (Pirie Regional)</li> <li>• Mr Jason Kuchel (Wakefield) replaced by Mark McShane and Andrew MacDonald</li> <li>• Mr Andrew Cameron (Yorke Peninsula)</li> </ul>	3 August 2018 30 November 2018 1 February 2019 10 May 2019
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> <li>• Lee Wallis (Goyder)</li> <li>• Peter Porch (Northern Areas)</li> <li>• Colin Davies (CEO Flinders Ranges) until 30/11/18</li> <li>• Jo-Anne Buchanan (RDA Yorke Mid North)</li> <li>• Steve Kaesler (Barossa)</li> <li>• Trevor Graham (Yorke Peninsula)</li> <li>• Martin Waddington replaced by Tom Jones (Adelaide Plains)</li> <li>• Steve Watson (Clare &amp; Gilbert Valleys)</li> <li>• Mike Wilde (Department of Planning, Transport and Infrastructure)</li> <li>• Dr Helen Macdonald (CEO Clare &amp; Gilbert Valleys Council) from 10/4/19</li> <li>• Wayne Hart (CEO Mt Remarkable) from 10/4/19</li> </ul>	2 August 2018 30 November 2018 5 February 2019 10 April 2019
Community Wastewater Management Advisory Committee	<ul style="list-style-type: none"> <li>• Wayne Hart (CEO Mt Remarkable)</li> <li>• Andrew Cole (CEO Barunga West)</li> <li>• Lee Wallis (Goyder)</li> <li>• Gary Easthope (Clare and Gilbert Valleys)</li> <li>• Chris Parish (Wakefield)</li> <li>• Adam Broadbent (Light)</li> </ul>	17 October 2018 15 March 2019 23 May 2019

## **Chairman's Report**

I would like to firstly acknowledge both the outgoing and incoming Mayors following the November 2018 Local Government elections and this has seen eight new Mayors join the Legatus Group Board. In particular I take the opportunity to thank those long serving Mayors who provided a valuable service to their communities and the region.

It has been my pleasure to serve as Chairman in 2018/19 and I would like to take this opportunity to report on some of the highlights of the year.

Following on from the key regional state-wide issues that the Legatus Group undertook reports for in the previous year we were extremely pleased to see that the State Government removed the impost to councils for rubble royalties. The formation of the SA Coastal Council Alliance was an outcome of the previous year's work.

The Legatus Group continues to play the lead role on issues around rating equity and impacts of the NDIS on local government. Whilst this year we have also taken a lead role in state-wide approaches to Community Wastewater Management and the Drought. These have all been progressed to the South Australian Regional Organisation of Councils (SAROC) and we continue to provide a strong partnership approach with our other regional local government associations.

We delivered a significant report on the Digital Maturity of Local Government and whilst the report sought to have a whole of SA approach the Legatus Group constituent councils took a lead and I will be interested to see how these findings progress.

This year has seen us actively involved in the issues around the new LGA constitutional changes and the formation of the new look LGA Board along with the new SAROC business plan and budget. It should be noted that Legatus has been active in representing members; as we raised our concerns to both SAROC and to the LGA Board. Given the amount of time and expense for regional councils to attend meetings in Adelaide; I was satisfied with the outcome in relation to the constitutional changes and gratified to see increased levels of consultation afforded to the regions.

The drought has seen a significant impact to regional SA and whilst it was pleasing to see support from the Australian Government through the Drought Communities Program there were levels of inconsistencies which the Legatus Group raised with the Prime Minister. I note our region gained extra support with a further 6 of our councils being added onto the program following the initial 7. This program is providing up to \$13 million to our region for local infrastructure and other projects for communities and businesses who have been impacted by drought. Whilst we need to show that local government is able to deliver stimulus packages such as these in a timely manner and I note the role of the Legatus Group CEO who is currently working on a report for the Legatus Group and SAROC which will include issues of equity and clarity on the decision-making process.

The Legatus Group was active in its lobbying for road funding for a number of our major highways and I wrote to the State Minister on these matters. I was pleased to see the announcements by the Australian and South Australian Governments of funding for both the Horrocks and Barrier Highways. The Road and Transport Infrastructure Advisory Committee have been active this year in overseeing the delivery of stage 2 of the Legatus Group Regional Transport Plan which resulted in the Deficiency Action Plan and a robust assessment of this year's Special Local Roads Program funding applications. The Legatus Group 2019 Road and Transport Forum held on 12 July 2019 was a further successful outcome by the committee.

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 and the subsequent release of the report on a Regional Sustainability Hub. This resulted in the Legatus Group being successful in their bid to project manage the Yorke Mid North Coastal Management Action Plan which is due for release later in 2019.

Our effort to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards in our region; resulted in the successful Yorke Regional Planning Forum, workshops on the Creative Industries and the role of local

government in supporting businesses and the South Australian Regional Development Conference. The Legatus Group Visitor Information Services report was undertaken and will soon be presented to the board for consideration.

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance. There has been valuable feedback gained from the Legatus Group Management Group meetings that have included a series of workshops and information sharing opportunities by and for the CEOs and I note with interest their discussions on Local Government Risk.

This year saw the formation of the Legatus Group Community Wastewater Management Advisory Committee who have been overseeing the 2-year Joint CWMS program, staging of a successful SA conference and overseeing the development of a regional sludge viability report which will soon be presented to the board for consideration.

It has been pleasing to see the continued dialogue with the six State Government Members of Parliament, and many of them making time to attend our board meetings. During the year the Legatus Group commenced greater interaction with Universities on research projects and this opportunity provided tangible project work for Interns whilst delivering cost effective research for the region.

In closing I would like to thank everyone who has taken a proactive role in progressing the region and thank both Mayor Bill O'Brien and Chairman Kathie Bowman for your roles as Deputy Chairs.

Mayor Peter Matthey

Chairman Legatus Group

## **CEO Report**

In 2018-2019 the Legatus Group consolidated the sub-regional approach to operations and support across the constituent councils whilst strengthening the partnerships with other regional bodies by expanding this to include research projects with Universities.

Following the November 2018 Local Government elections, a series of meetings were arranged with each constituent council and these took the form of either presentations at council meetings or workshops with councils.

Along with over 30 Legatus Group Board and committee, Yorke Mid North Alliance and SAROC meetings the Legatus Group CEO was actively involved in partnering with fellow regional local government association executive officers. This has seen the Legatus Group CEO take a leadership role and manage several state-wide and regional topics which include:

- I. Regional LGAs:
  - a. SA Coastal Council Alliance – committee member
  - b. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – LGA R&D grant  
<https://legatus.sa.gov.au/wp-content/uploads/2018/11/Final-Report-Rating-Equity-for-Commercial-Industrial-Land-Uses-Outside-Towns-in-SA-1.pdf>
  - c. Socio-Economic impacts from the NDIS on regional local governments – LGA R&D grant  
<https://legatus.sa.gov.au/wp-content/uploads/2018/11/KPPM-Legatus-NDIS-Report-FINAL-20-5-18-002.pdf>
  - d. Community Wastewater Management – State Conference and the regional Sludge Viability report (to be released following August 2018 Legatus Group meeting) – APRIntern grant
  - e. Digital Maturity – funding LGA R&D grant  
<https://legatus.sa.gov.au/wp-content/uploads/2019/05/Legatus-Digital-Maturity-Index-Final-Report.pdf>
  - f. Regional representative on the working party for the LGA's Council Ready program

2. Regional Development South Australia
  - a. RDSA Conference – Tailm Bend
3. Yorke Mid North Alliance:
  - a. Yorke Mid North Regional Forum – Kadina
  - b. Climate Change – Sector Agreement and Sustainability Hub report – APRIntern grant  
<https://legatus.sa.gov.au/wp-content/uploads/2019/07/Final-report-May-2019.pdf>

Other regional projects that the Legatus Group CEO has been managing / supporting are:

- 2030 Legatus Group Regional Transport Plan Deficiency Action Plan I completed  
<https://legatus.sa.gov.au/wp-content/uploads/2019/07/Regional-Transport-Plan-Road-Deficiency-Action-Plans-Feb-19.pdf>
- Visitor Information Services review, which was completed, and this will be presented to the Legatus Group meeting on 30 August 2019 and published following their approval.
- Hummocks/Barunga Ranges Brighter Futures project commenced – funding from SA Government
- Yorke Mid North Coastal Management Action Plan commenced – funding NY NRM and APRIntern grants
- Youth into Volunteering – Building Better Futures grant
- Regional and sub/regional forums on the Music and Creative Industries
- Workshop on the role of local government in supporting local businesses

Support has been provided to constituent councils for the delivery of a regional / sub-regional approach for the Councils Disability Access Inclusion Action Plans which are due in 2020. There was an expression of interest submitted to the LGA for funding a regional wellbeing officer for the Legatus Group constituent councils which was not successful.

There continues to be work regarding the drought which includes collating the responses from all regional councils for a report to be developed for SAROC.

Support has been provided to the Legatus Management Group in their efforts to progress issues raised around Local Government Risk Management.

Through coordination by the Legatus Group, training was delivered by TafeSA for Certificate III in Water Industry Treatment (Wastewater) through the Small Regional Community funding with significant training costs being reduced and uptake by a total of 19 participants registering.

The Legatus Group continues to be in a healthy financial position with the balance from the year being \$166,358 and with an accumulated surplus and reserves at 30 June 2019 of \$1,000,821. There will be an assessment of the long-term financial coverage of the Legatus Group undertaken in the coming year and noting that the Rubble Royalties Funding ceases from 30 June 2020.

All grants were acquitted and reporting requirements for ongoing grants.

#### **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:**

Due to the November 2018 Local Government elections there was a slight slowdown in progressing regional projects and awareness of the Legatus Group given that there were 8 new board members. Since the election there has been stronger interest by constituent councils to bring issues forward and the formation of the committees has resulted in a more active interaction to address issues.

A focus has been on securing data to assist in decision making and to assist with raising policy issues through the board and SAROC. This year has seen the constructive dialogue with Constituent Councils, Members of Parliament, Ministers, the Local Government Association SA, public servants and other regional stakeholders. This is a result of the Legatus Group CEO position having been settled and by gaining greater clarity on the actions and projects.

Simon Millcock  
CEO Legatus Group

**The Legatus Group Audit and Risk Committee** summary of activities undertaken, and recommendations made during 2018-2019. The committee met on 4 occasions during 2018-2019 with the following attendance:

Date	No of Members Attending
3Aug 2018	4
30 Nov 2018	3
30 Jan 2019	3
30 Apr 2019	4

Committee Member	No of Meetings Attended
Mayor Ray Agnew	1
Chairman Kathie Bowman	4
Mayor Colin Nottle	1
Mayor Denis Clark	2
Colin Davies	2
Ian McDonald	1



The following table sets out the principal issues addressed by the Committee for 2018-19 year:

Principal Issues Examined	Recommendations to Board
Financial Report 2018-2019	No issues, unqualified audit, adopt
Review of budget against actuals	Noted the need for Legatus Group to endorse 2017-2018 adopted budget against actuals for annual financial report
Review of work plan, internal controls	Work planned developed
Charter	Variations to charter noted and recommended and adopted including the need for new auditor and Dean Newberry appointed
Business, Budget and Strategic Plan	Noted the development of the 2018-2019 business plan and budget
Membership	Recommendations to Board re membership
Equity / reserves	Recommendations to Board on levels to be held
Exemption for having committee	Supported the approach for exemption of committee

Chairman Kathy Bowman  
Chairman Legatus Group Audit and Risk Management Committee

Financial Statement year ending 30 June 2019 which was adopted at the 30 August 2019 legatus Group AGM. The Legatus Group Charter requires that the AGM receive the audited financial statement for the preceding financial year.

The 2018/2019 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 22 August 2019. This meeting endorsed the Legatus Group annual financial statement for the year ending 30 June 2018 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 2020.

The reports and statements form part of the Legatus Group Annual Report which 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.



2019 Audit  
Completion Report of Auditors Indepen



2019 Certification  
of Auditors Indepen



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.pdf



Legatus AFS  
2018-2019 (v2).pdf

# LEGATUS GROUP

## Audit Completion Report

Financial Year Ended 30 June 2019

214 Melbourne Street  
North Adelaide SA 5006

Jim Keogh  
E: [jimkeogh@deannewbery.com.au](mailto:jimkeogh@deannewbery.com.au)  
P: 8267 4777  
W: [deannewbery.com.au](http://deannewbery.com.au)



21 August 2019

Mayor Peter Matthey  
Chairperson  
LEGATUS Group  
PO Box 419  
**CLARE SA 5453**

Dear Mayor Matthey

**RE: External Audit Completion Report  
Financial Year Ended 30 June 2019**

Our audit team has completed the field work of the external audit of LEGATUS Group (the Group). The purpose of this report is to provide the Group's Board, Audit Committee and Administration a summary of the significant matters that have arisen from our audit of the Group for the financial year ended 30 June 2019.

We are pleased to advise that subject to finalisation of the outstanding matters outlined in Section 1 of this report, our 2019 Audit Report will be an unmodified opinion.

This report has been prepared to comply with Australian Auditing Standard (ASA) 260 *Communication with Those Charged with Governance* and ASA 265 *Communicating Deficiencies in Internal Controls to Those Charged with Governance and Management*.

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

**T:** (08) 8267 4777  
**F:** (08) 8239 0895  
**E:** [admin@deannewbery.com.au](mailto:admin@deannewbery.com.au)

ABN: 30 164 612 890

I would like to thank the Administration for the support provided throughout the year.

If you require further information on any of the information above, please feel free to contact me on 8267 4777 or [jimkeogh@deannewbery.com.au](mailto:jimkeogh@deannewbery.com.au).

Yours sincerely  
**DEAN NEWBERY & PARTNERS**

A handwritten signature in black ink, appearing to read "Jim Keogh", written over a light blue horizontal line.

**Jim Keogh**  
Partner

C. Chief Executive Officer  
C. Chairperson, Audit Committee

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### Disclaimer

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# 1. Scope and Status of the Audit

All audit procedures have been designed and carried out by our audit staff to provide us with reasonable assurance that the financial report, as a whole, is free from material misstatement.

## Responsibilities and Objectives

The responsibility for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, rests with Management. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement. The responsibility of the Management is also extended to include; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our audit testing is not undertaken with the express purpose to disclose weaknesses in internal controls. Our testing of internal controls is undertaken to a sufficient level to enable us to rely on information obtained in the course of our audit relevant to the preparation 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.

## Fraud and Litigation

As part of our audit we have discussed with the Administration's management staff;

- The safeguards in place in relation to the prevention and detection of fraud
- The existence of any fraud
- The existence of any litigation and claims.

We have not become aware of any matter which should be brought to the Board or Audit Committee's attention.

## Outstanding Matters

Our audit field work component of external audit of the Group for the financial year ended 30 June 2019 has now been completed. Before our 2019 Auditor Report is issued, the following outstanding matters require to be addressed:

- Completion of audit procedures relating to ASA 560 Subsequent Events to be performed up to the date of signing the Audit Report.
- Receipt of the Annual Financial Statements, certified by the Board and Administration, as required.
- Receipt of the certified Management Representation Letter

## Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Group for the financial year ended 30 June 2019, all members of our audit team have maintained their 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 and in accordance with *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*,

## Audit Status

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

All requested information has been provided by the Administration during the course of the audit.

Subject to the finalisation of the matters outlined above, we expect to issue an unmodified audit report for the 2018/19 financial year.

## 2. Summary of Misstatements

There remain no misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to the Group's Audit Committee.

Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been reported and regarded as being minor in the context of the financial report as a whole.

All requested audit adjustment have been processed within the financial report appropriately modified based on audit testing completed.

Subject to all matters being appropriately completed as outlined in Section 1 of this report, we anticipate to be issuing an unqualified audit opinion on the financial statements (Section 129(1)(a) audit opinion).

### **Materiality**

An item is considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view. Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements. Any identified errors or differences greater than 5% of materiality will be recorded on a schedule of potential misstatements. These are assessed individually and in aggregate, discussed with you and, if you do not adjust, as signed off by you in your letter of representation to us, confirming your view that they are immaterial to the financial statements an item of low value may be judged material by its nature. An item of higher value may be judged not material if it does not distort the truth and fairness of the financial statements.

### 3. Matters to be Addressed in Future Financial Years

As a result of the audit work recently completed, the following audit matters are recommended to be addressed by the Administration;

No.	Audit Matter	Comment
1	Changes to Accounting Standards	<p>We recommend that the Group consults with its Audit Committee to undertake an assessment as to whether any of the new accounting standards will have an impact on existing accounting policies. New accounting standards have come into effect as from 1 July 2019 that may result in amendments to existing accounting policies of the Group that may have an impact on the future reported financial performance and position.</p> <p>In particular, the following accounting standards should be considered by the Group:</p> <ul style="list-style-type: none"><li>• AASB 15 Revenue from Contracts with Customers</li><li>• AASB 16 Leases</li><li>• AASB 1058 Income of Not-for-Profit Entities</li></ul>
2	Internal Controls	<p>As is our standard practice for all audit clients, we recommend the Administration regularly undertakes a review and update of the effectiveness of internal controls operating throughout the Group.</p> <p>From our experience, particular focus should be placed on the internal control framework surrounding the banking security procedures, level of insurance cover of assets and procurement practices. We recommend that any review of controls be conducted in consultation with the Group's Audit Committee.</p>

# 4. Draft Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

To the members of the LEGATUS Group

Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the LEGATUS Group (the Group), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Group as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *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 as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Responsibilities of Management for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal controls as the board and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The management of the Group is responsible for overseeing the financial reporting process.



## 4. Draft Independent Auditor's Report (Cont.)

### 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.

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**

**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 2019, 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 21<sup>st</sup> day of August 2019**

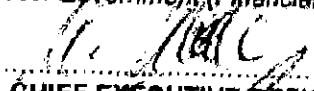
## LEGATUS GROUP

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

#### 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 2019, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act


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

  
CHIEF EXECUTIVE OFFICER  
The Barossa Council


  
CHIEF EXECUTIVE OFFICER  
Clare & Gilbert Valleys Council

  
CHIEF EXECUTIVE OFFICER  
The Flinders Ranges Council

  
CHIEF EXECUTIVE OFFICER  
Light Regional Council

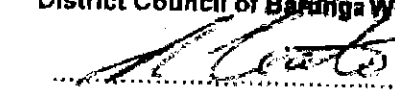
  
CHIEF EXECUTIVE OFFICER  
District Council of Mount Remarkable

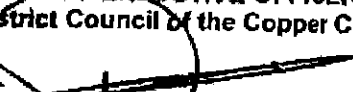
  
CHIEF EXECUTIVE OFFICER  
Port Pirie Regional Council

  
CHIEF EXECUTIVE OFFICER  
York Peninsula Council

  
CHIEF EXECUTIVE OFFICER  
Wakefield Regional Council


  
CHIEF EXECUTIVE OFFICER  
District Council of Barunga West

  
CHIEF EXECUTIVE OFFICER  
District Council of the Copper Coast

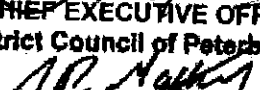
  
CHIEF EXECUTIVE OFFICER  
Regional Council of Goyder

  
CHIEF EXECUTIVE OFFICER  
Adelaide Plains Council

  
CHIEF EXECUTIVE OFFICER  
Northern Areas Council

  
CHIEF EXECUTIVE OFFICER  
District Council of Orroroo Carrieton

  
CHIEF EXECUTIVE OFFICER  
District Council of Peterborough

  
CHAIRMAN  
Legatus Group  
Board of Management

Date:

CENTRAL LOCAL GOVERNMENT  
REGION of SA  
trading as



Annual Financial  
Statements

For the financial year

1 July 2018 – 30 June 2019

# LEGATUS GROUP

## General Purpose Financial Reports for the year ended 30 June 2019

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# LEGATUS GROUP

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

### 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 2019 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:

# LEGATUS GROUP

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
Grants, subsidies and contributions	2	509,232	345,527
Investment income	2	16,573	13,817
Reimbursements	2	37,664	4,545
Other income	2	169,431	196,398
<b>Total Income</b>		<u>732,899</u>	<u>560,287</u>
<b>EXPENSES</b>			
Employee costs	3	191,317	218,452
Materials, contracts & other expenses	3	355,899	230,102
Depreciation, amortisation & impairment	3	6,311	6,311
<b>Total Expenses</b>		<u>553,527</u>	<u>454,865</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>179,372</u>	<u>105,422</u>
<b>NET SURPLUS / (DEFICIT)</b>		<u>179,372</u>	<u>105,422</u>
transferred to Equity Statement			
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>179,372</u>	<u>105,422</u>

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

# LEGATUS GROUP

## STATEMENT OF FINANCIAL POSITION as at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	972,087	808,876
Trade & other receivables	5	69,801	8,759
<b>Total Current Assets</b>		<b>1,041,888</b>	<b>817,635</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	11,177	17,488
<b>Total Non-current Assets</b>		<b>11,177</b>	<b>17,488</b>
<b>Total Assets</b>		<b>1,053,065</b>	<b>835,123</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	46,729	6,277
Provisions	8	2,568	7,037
<b>Total Current Liabilities</b>		<b>49,297</b>	<b>13,314</b>
<b>Non-current Liabilities</b>			
Provisions	8	2,947	360
<b>Total Non-current Liabilities</b>		<b>2,947</b>	<b>360</b>
<b>Total Liabilities</b>		<b>52,244</b>	<b>13,674</b>
<b>NET ASSETS</b>		<b>1,000,821</b>	<b>821,449</b>
<b>EQUITY</b>			
Accumulated Surplus		166,358	55,336
Other Reserves	9	834,463	766,113
<b>TOTAL EQUITY</b>		<b>1,000,821</b>	<b>821,449</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 2019

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2019	Notes	\$	\$	\$
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	9	(68,350)	68,350	-
<b>Balance at end of period</b>		<b>166,358</b>	<b>834,463</b>	<b>1,000,821</b>
<b>2018</b>				
Balance at end of previous reporting period		121,695	594,332	716,027
<b>Net Surplus / (Deficit) for Year</b>		105,422	-	105,422
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	(171,781)	171,781	-
<b>Balance at end of period</b>		<b>55,336</b>	<b>766,113</b>	<b>821,449</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 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Investment receipts		18,714	13,419
Grants utilised for operating purposes		454,232	371,442
Reimbursements		37,664	5,000
Other revenues		161,248	194,450
<u>Payments</u>			
Employee costs		(186,562)	(217,537)
Materials, contracts & other expenses		(322,084)	(277,757)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>163,211</b>	<b>89,017</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>		-	-
<u>Payments</u>		-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>-</b>	<b>-</b>
 <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>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>163,211</b>	<b>89,017</b>
 Cash & cash equivalents at beginning of period	11	<b>808,876</b>	719,859
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>972,087</b>	808,876

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 2019

### 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. District Council of Barunga West     | 4. Northern Areas Council                |
| 5. Clare and Gilbert Valleys Council    | 6. District Council of Orroroo/Carrieton |
| 7. District Council of the Copper Coast | 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 2019

### 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 12.

#### 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 2019, 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 2019

### 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 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

AASB15	Revenue from Contracts with Customers
AASB16	Leases
AASB1058	Income of Not-for-Profit Entities

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.

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 2 - INCOME

	2019 \$	2018 \$
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority	16,507	13,741
Banks	65	76
	<u>16,573</u>	<u>13,817</u>
<b>REIMBURSEMENTS</b>		
- for Legal, Climate Change, USGRPG	37,664	4,545
	<u>37,664</u>	<u>4,545</u>
<b>OTHER INCOME</b>		
Council Contributions	165,225	162,750
Sundry	4,206	33,648
	<u>169,431</u>	<u>196,398</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Sundry	509,232	345,527
	<u>509,232</u>	<u>345,527</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
State government	115,000	345,527
LGA	394,232	-
	<u>509,232</u>	<u>345,527</u>
<b>Conditions over grants &amp; contributions</b>		
<i>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:</i>		
<i>Unexpended at the close of the previous reporting period</i>	<b>537,786</b>	366,006
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
A009 - Special Projects	(6,650)	-
P022 - Roads & Transport	-	(1,805)
P024 - Climate Change Co-ordinator 2015-17	-	(51,779)
Subtotal	<u>(6,650)</u>	<u>(53,584)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
P022 - Roads & Transport	10,000	-
P025 - Outreach Stage 2		49,687
P028 - Regional Capacity Building	30,000	174,543
A009 - Special Projects		1,134
Subtotal	<u>40,000</u>	<u>225,364</u>
<i>Unexpended at the close of this reporting period</i>	<u><b>571,136</b></u>	<u>537,786</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u><b>33,350</b></u>	<u>171,780</u>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 3 - EXPENSES

	2019	2018
	\$	\$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	141,645	162,958
Employee leave expense	23,815	16,780
Redundancy	-	5,385
Pay in Lieu of Notice	-	5,385
Superannuation	15,217	16,330
Workers' Compensation Insurance	1,333	2,262
CEO Relocation	-	1,239
Professional Development	664	649
FBT	8,644	7,464
<b>Total Operating Employee Costs</b>	<b>191,317</b>	<b>218,452</b>
 <b>Total Number of Employees</b>	 <b>1.3</b>	 <b>1.0</b>
<i>(Full time equivalent at end of reporting period)</i>		
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,000	2,000
Subtotal - Prescribed Expenses	2,000	2,000
<u>Other Materials, Contracts &amp; Expenses</u>		
Contractors & Consultants	303,167	162,372
Unleaded Fuel	4,734	5,576
Other Motor Vehicle Costs	3,540	-
Members Allowances & Support	4,600	4,270
Meetings & Conferences	6,937	5,318
Insurance	7,735	7,750
Rental - Premises	9,009	16,477
Advertising	1,650	316
Accommodation	768	3,994
Airfares	-	499
Travel - Reimbursement	425	2,445
Catering & Meals	1,040	6,340
Telephone & Internet	4,894	6,870
Postage/Stationery/IT	3,575	3,875
Sundry	1,826	2,000
Subtotal - Other Materials, Contracts & Expenses	353,899	228,102
	<b>355,899</b>	<b>230,102</b>
 <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Motor Vehicle	6,311	6,311
	<b>6,311</b>	<b>6,311</b>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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

2019	2018
Nil	Nil

### Note 5 - CURRENT ASSETS

	2019 \$	2018 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash at Bank	78,151	3,590
Deposits at Call	893,936	805,286
	<u>972,087</u>	<u>808,876</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	944	3,085
Debtors - General	55,000	237
GST Recoupment	13,857	5,437
	<u>69,801</u>	<u>8,759</u>

### Note 6 - NON-CURRENT ASSETS

<b>FINANCIAL ASSETS</b>	Nil	Nil
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# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Fair Value Level	2018 \$				2019 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT

### Note 7 - PLANT & EQUIPMENT

Motor Vehicle	-	33,353	(15,865)	17,488	-	33,353	(22,176)	11,177
Computers & Software	-	-	-	-	-	-	-	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	-	33,353	(15,865)	17,488	-	33,353	(22,176)	11,177
<i>Comparatives</i>	-	<b>37,301</b>	<b>(13,502)</b>	<b>23,799</b>	-	<b>33,353</b>	<b>(15,865)</b>	<b>17,488</b>

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR								2019
	\$	\$								\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
New/Upgrade		Renewals	In				Out			
Note 7 - PLANT & EQUIPMENT										
Motor Vehicle	17,488	-	-	-	(6,311)	-	-	-	-	11,177
Computers & Software	-	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	17,488	-	-	-	(6,311)	-	-	-	-	11,177
Comparatives	23,799	-	-	-	(6,311)	-	-	-	-	17,488

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 8 - LIABILITIES

	2019		2018	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	24,196	-	-	-
Accrued expenses - employee entitlements	6,637	-	-	-
GST & PAYG	15,896	-	6,277	-
	<u>46,729</u>	<u>-</u>	<u>6,277</u>	<u>-</u>
<b>PROVISIONS</b>				
Employee entitlements (including oncosts)	2,568	2,947	7,037	360
	<u>2,568</u>	<u>2,947</u>	<u>7,037</u>	<u>360</u>

### Note 9 - RESERVES

OTHER RESERVES	1/7/2018	Transfers to Reserve	Transfers from Reserve	30/6/2019
General Reserve	31,093	35,000	-	66,093
1 A009-Special Projects	16,475	-	(6,650 )	9,825
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	36,087	10,000	-	46,087
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	377,569	30,000	-	407,569
<b>TOTAL OTHER RESERVES</b>	<u>766,113</u>	<u>75,000</u>	<u>(6,650 )</u>	<u>834,463</u>
<b>Comparatives</b>	<u>594,332</u>	<u>225,364</u>	<u>(53,583 )</u>	<u>766,113</u>

#### PURPOSES OF RESERVES

##### (Other Reserves)

- 1 **A007-Special Projects**  
*LGA funded support programme*
- 2 **P003-Waste Management**  
*State Government funded technical support programme*
- 3 **P022-Roads & Transport**  
*Legatus funded programme - Regional Development Australia Freight Strategy*
- 4 **P024-Climate Change Co-ordinator 2015-17**  
*Regional Partners and State Government funded programme*
- 5 **P025-LG Outreach Phase 2**  
*LGA funded programme*
- 6 **P027-LG Reform - Incentive Risk**  
*CEO Performance fund*
- 7 **P028-Regional Capacity Building**  
*Region rubble royalty % returned for project allocation 2017/18 on*

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 10 - 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	2019 \$	2018 \$
Total cash & equivalent assets	5	<u>972,087</u>	<u>808,876</u>
Balances per Cash Flow Statement		<u>972,087</u>	<u>808,876</u>

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

Net Surplus (Deficit)	179,372	105,422
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,311	6,311
Net increase (decrease) in unpaid employee benefits	<u>4,755</u>	<u>915</u>
	<u>190,438</u>	<u>112,648</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	33,815	16,645
Net increase (decrease) in trade & other payables	<u>(61,042)</u>	<u>(40,276)</u>
<b>Net Cash provided by (or used in) operations</b>	<u><b>163,211</b></u>	<u><b>89,017</b></u>

#### (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 **1,000** -

### Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P015-Local Government Reform
- 3 P022-Roads & Transport
- 4 P024-Climate Change Co-Ordinator 2015-17
- 5 P025-LG Outreach Phase 2
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building

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 2019**

**Note 12 - 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 1.25% as at 30 June 2019</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**

2019	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>

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
<b>Total</b>	<b>817,635</b>	<b>-</b>	<b>-</b>	<b>817,635</b>	<b>817,635</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 2019

### Note 13 - FINANCIAL INDICATORS

	2019	2018	2017
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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>	24.5%	18.8%	5.2%
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>	(135%)	(143%)	(119%)
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>	0%	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 2019

### Note 14 - 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

	2019 \$	2018 \$
Income	732,899	560,287
Expenses	<u>(553,527)</u>	<u>(454,865)</u>
<b>Operating Surplus / (Deficit)</b>	<b>179,372</b>	<b>105,422</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	<u>6,311</u>	<u>6,311</u>
	<b>185,683</b>	<b>111,733</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Amounts received specifically for New and Upgraded Assets	<u>-</u>	<u>-</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>185,683</u></b>	<b><u>111,733</u></b>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 15 - 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:

	2019 \$	2018 \$
Salaries, allowances & other short term benefits	165,460	149,999
Member Allowance	4,600	4,270
Post-employment benefits	15,217	14,250
FBT	8,644	15,235
<b>TOTAL</b>	<b>193,921</b>	<b>183,754</b>

The Group received the following amounts in total:

	2019 \$	2018 \$
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.

# **LEGATUS GROUP**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019**

### **Note 16 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2019.

### **Note 17 - EVENTS OCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.