



## 2018-19 Annual Report

# › Tatiara District Council



*The Tatiara region includes Bordertown, Keith, Mundulla, Padthaway, Wolseley, Willalooka and Western Flat.*

*It is one of the largest Local Government areas in South Australia with an area of 6,476 square kilometres and a population of around 6,800.*

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## › Our Vision

Shaping a sustainable future by realising the potential of our people and region.

## › Our Mission

To make the Tatiara a better and safer place in which to live, work and visit.

## › Our Values

- We value rigorous debate conducted by well informed Council Members.
- We facilitate socially and environmentally responsible development.
- We will display leadership and reflect community aspirations.
- We believe in transparency and accountability.
- We value respect and loyalty.

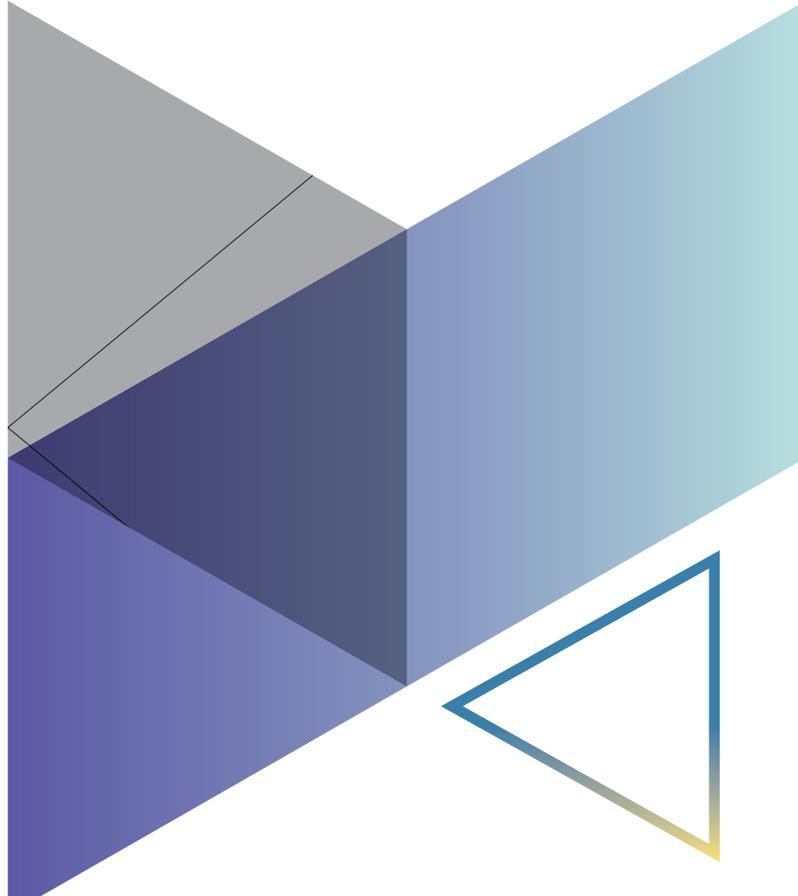


***Tatiara***  
*the good country*

-VISIT FOR A DAY-

**TATIARA**

-STAY FOREVER-



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# › Message from the Mayor

2018 marked the end of another four year term of Council, which meant that it was an election year. I would like to take this opportunity to thank all of the Councillors for their contributions over the last four years, as their involvement and dedication ensured our success as a Local Government. It was pleasing to see all Councillors renominate, which indicates the commitment these individuals have for our community. Cathy Langley was a successful new nomination, which resulted in Mark Murphy missing out on this occasion. A dinner was held at Farmers Leap for Mark and Erica to thank them for their contribution to the Tatiara District Council.



Our application to host the 2020 SA Masters Games was successful. Participants and spectators will flock to the Tatiara in April of next year for this event, making it the perfect opportunity to showcase our region and boost our local economy. Who knows, maybe some of the people involved will be return visitors to the Tatiara, which will only benefit our community.

One hundred years have passed since the signing of the Peace Treaty to end World War I, and Bordertown Primary School celebrated this by re-enacting the march down the main street of Bordertown to Apex Park. Well done to the staff and students involved.

The Keith Diesel and Dirt Derby continues to grow and was once again a huge success. The organising committee and volunteers involved are to be commended on running the most successful regional function in South Australia. A huge amount of hours goes into planning this event to make it the popular spectacle that it has become in only a few short years.

On several occasions we met with Members of Parliament to discuss topics such as housing, economic planning and the general needs of the district, with the most important being the funding for the Keith and District Hospital. It has been a difficult period for the medical facility, and having met twice with the Minister for Health, Stephen Wade MLC, we are hopeful for a positive outcome.

Council's Australia Day celebrations were held at Clayton Farm this year, which proved to be a successful venue. We even managed to have a rooster provide some background chorus during the speeches! Congratulations to Janet Allen on being awarded the Citizen of the Year, and also to the Keith Diesel and Dirt Derby, and Tatiara Work Centre on being awarded the Events of the Year. Volunteer Awards were presented to Cora Lees, Gwen Fisher, Alley Hoare, Alan Morcom and Barb Lines. Council proudly recognises the invaluable contribution made by many of its residents through the Australia Day and Volunteer Awards.

Whilst much of Australia is experiencing drought conditions, we are fortunate to be in a favoured area with timely spring rain. Our farmers had a successful harvest, with prices of grain increasing by approximately 50% from the previous year. Hay and grain from the Tatiara was transported to the drought ravaged regions of eastern Australia, which resulted in good revenue returns to our farmers, and graziers have enjoyed good wool and meat prices with lambs reaching \$9 per kg. Suffice to say, our rural industry has enjoyed a rewarding year.

The value adding and industrial part of the Tatiara has reaped the benefits of such a good year. More blocks of land have been opened up for sale in the Bordertown Industrial Estate, and there are plans to expand the Keith Industrial Estate. An exciting new industry to start was the state's first industrial hemp processing facility, Blue Lake Milling is progressing with the Anaerobic Digester Plant to generate their own power, plus supply power into the grid. Shields are receiving logs for export at the Bordertown Railyards, which

are then loaded into containers for export to China.

With all of this expansion, stress has been put on our labour supply, which currently stands at 1.7% unemployment rate. There is also a shortage of affordable housing in the district, and we have commenced lobbying the Government in regards to this.

I would like to recognise and thank the efforts of our CEO and staff for a very successful year, and also our Councillors for working in a collaborative and cohesive manner to ensure that we have a strong and stable council.



GRAHAM EXCELL  
Mayor



# › From the Chief Executive Officer

Welcome to Tatiara District Council's Annual Report for 2018-19. As much as it is a report and account of our performance from 1 July 2018 to 30 June 2019, it is also an opportunity to celebrate our achievements and major initiatives, and share some of the highlights and challenges we have encountered over the last year. Towards the end of the report, you will find a copy of our audited financial statements for the last financial year, as well as a report of our regional subsidiary, the Limestone Coast Local Government Association.

## Our Services

Local government in Australia provides in excess of 100 services to its communities. Tatiara is no different, with our services ranging from libraries to waste management, and swimming pools to road maintenance.

With such a diverse range of services and activities delivered by Council, it is impossible to cover every aspect of our operations in this report. The below provides a snapshot of some of our initiatives and achievements over the last twelve months.

## Our Finances

I am pleased to advise that Council is in a sound financial position and has performed strongly during the 2018/19 financial year, producing an operating surplus of \$1,069,000 and positioning us well for the years ahead. More detail on our financial performance is provided in the financial report, pages 39-88.

## Our Infrastructure - Major Projects

One of the largest parts of Council's overall expenditure is on our transport infrastructure. Council is responsible for 1,789km of roads across the district, approximately 530km of which are sealed, 1077km unsealed and 200km tracks/unformed roads.

The ongoing maintenance and renewal of this road network with a small rate base is a



substantial challenge. Wherever possible, we try to maximise Council funds by seeking external sources of funding, like the Special Roads Program or the State Government's Bicycle Fund.

In 2018/19, we spent \$1,082,000 completing 49km of unsealed road resheets. We also spent \$915,000 resealing 24.5km of sealed roads throughout the district. The table adjacent provides an overview of our major projects for the last 12 months.

## Parks and Gardens

We are fortunate to have a large number of beautiful parks and gardens in our towns. Apart from making sure that our 26 parks look their best, pruning street trees, managing weeds in towns and roadsides throughout the district, and carrying out safety inspections on 17 playgrounds in the Tatiara, our parks and gardens team were kept busy installing a new irrigation system in Apex Park, Bordertown, planting street trees on Naracoorte Road along the side of the Bordertown show grounds, installing new park furniture in Lions Park Keith, and new play equipment in Hartley Randle Park.

## Technical Service Major Projects

Project Name	Project Description	Cost
<b>Riches Road Bordertown Industrial Estate Stage 3</b>	Riches Road Upgrade completed stage 3 of the Bordertown Industrial Estate. The project included construction of a 12m wide sealed carriageway, kerb and gutter, SA Water Mains, power and street lighting consistent with the rest of the Industrial Estate.	\$396,000
<b>McLellan Road Extension Bordertown Industrial Estate Stage 3</b>	This project was part of stage 3 of the Bordertown Industrial Estate. McLellan Road Extension provides direct access into the Industrial Estate from Cannawigara Road for the west bound traffic travelling on Cannawigara Road from the Bordertown township and areas to the east of the Industrial Estate. The direct access provides time and cost saving for owners, employees and customers at the Industrial Estate. Furthermore, given the high number of heavy vehicle movements on Meatworks Road this project has reduced the amount of traffic movement at the intersection of Cannawigara Road and Meatworks Road, making it safer for all road users.	\$101,572
<b>Ramsay Terrace Bordertown - Weir to Cannawigra Road</b>	The project included widening of shoulders and bitumen seal to meet Heavy Freight Route "Fit for Purpose" standards. The works extended from Weir Drive to Cannawigara Road, including widening on both sides of the road between Weir Drive and Bertha Street, and west side of road only between Bertha Street and Cannawigara Road.	\$188,405
<b>Railway Terrace South Wolseley</b>	Reconstructed and widened the roadway which included drainage improvements with the installation of stormwater pipework and pits. The roadworks included stabilisation of the subgrade and sealing the carriageway to meet heavy vehicle freight standards.	\$477,817
<b>Bordertown Brown Terrace</b>	Reconstructed, widened and asphalted the surface to meet Heavy Freight Route "Fit for Purpose" standards.	\$115,471
<b>Service Road Keith</b>	Installation of stormwater drainage including underground pipes, pits and spoon drains in preparation for constructing and sealing the road.	\$138,370

<b>Reseals</b>	Resurface 26 km of sealed roads throughout the district	\$935,438
<b>School Road Traffic Calming Padthaway</b>	The aim of the project was to improve road safety in front of the Padthaway school. The works comprised of removing the angle parking and creating parallel parking on both sides of the road to increase the overall number of parks. Installation of new kerb protuberances, a new concrete footpath and line marking.	\$135,002
<b>Bordertown Footpath Upgrades</b>	Completion of the concrete footpath on Philip Avenue between the Bordertown Primary School and Venn Avenue. Constructing and paving a protuberance and footpath adjacent to the Bordertown Hotel.	\$84,469
<b>Keith Footpath Upgrades</b>	Construction of a new shared path from Memorial Avenue along Ross Ave to Summer Avenue.	\$32,544

### Major Project (2020 Masters Games)

In November 2018, Council was advised that we were awarded the right to host the 2020 South Australian Masters Games. The SA Masters Games have been held annually since 1996, in various regions throughout South Australia, with the 2020 event in the Tatiara being the 25th consecutive games held.

Preparation for the games started in early 2019 with the establishment of our organising committee and engagement with sponsors and sporting groups.

The Tatiara SA Masters Games will attract locals and participants from throughout South Australia, and Australia, to compete at an elite level, while engaging with the local community and discovering the Tatiara tourism region. The Games are expected to attract 1,100+ participants, a large volunteer workforce across a targeted sport program of 27+ sports, and provide an important economic stimulus for our regional economy.

The 2020 Games will be about engaging participants, visitors and tourists through a range of interpersonal benefits (intergenerational opportunities and role

models) and organisational benefits (volunteering, financial contributions and maximised facility usage). However, our Council recognises that any increase in older adults' sport participation, either through actively playing, supporting family and friends and/or volunteering, will contribute to the positive health of individuals, sport clubs and the community.



# Walkway Gallery

The Walkway Gallery presented seven exhibitions and welcomed 26,603 people through the door.

The gallery continues to support art and artists, with 102 artists shown at the Walkway Gallery. Providing a program of engaging, informative and enjoyable activities around our exhibitions remains core.

Exhibition highlights included Robyn Stacey: Ray of Light, plus a live camera obscura at the Bordertown Hotel, a collaborative exhibition with the Art Gallery of South Australia, Regional Galleries Association and Country Arts SA, touring show Island to Inland (Country Arts SA), guest curated show "I'm a feminist but..."

and two local exhibitions featuring the Tatiara Palette Painters and Capture Tatiara – a locally focussed photographic competition. In 2019 the Walkway Gallery also commissioned emerging South Australian artist Jane Skeer to create a new installation for the Walkway Gallery. Jane Skeer's exhibition was the highest attended exhibition ever at the gallery.

The Walkway Gallery hosted a range of highly successful public programs, educational programs and events designed for a range of community groups and ages including: painting demonstrations with curator talks with South Australian curator Eleanor Scicchitano, artist talk with Jane Skeer, as well as a range of booked-out kids' holiday workshops in both Bordertown and Keith.

The total attendance of Walkway Gallery community engagement/public programs was around 2,174 people. Education remains central to our activities at the Walkway Gallery with 63 educational tours, workshops and activities for kindergarten, primary and secondary students and teacher groups as well as community groups, both local and visiting the gallery.





## 2018/19 Snapshot

	2018/19
Total number of exhibitions	7
Total Attendance	26,769
Average attendance per exhibition	3,824
Total payments to artists	\$9,698
Total donations made to the Gallery	\$235

### Culturally and Linguistically Diverse Community

Local residents of many diverse cultural backgrounds came together for Harmony Day and World Refugee Day. We celebrated our cultural diversity by bringing together refugees, migrants and community in a celebration of diversity and respect cultural and religious diversity.

to display their cultural identity in a safe environment over afternoon tea, food and social interaction.

- In partnership with the AMRC, Country Arts SA and Tatiara District Council we delivered Jam'eh, the Afghani Cultural Festival with guest artists Greta Kelly and Sam Gulzari.

### Refugee Week (June 2019)

- Working with key partners, the Australian Migrant Resource Centre (AMRC) and JBS Bordertown reviewed our Migrant Community Action Plan. Community capacity building is being developed in a whole community approach to improve settlement outcomes. The plan proposes a range of initiatives and actions and will be reviewed on an ongoing basis to make sure community need and capacity is being met and grown.
- In partnership with the AMRC and the Highway Christian Centre we delivered a Women's Welcome. This event provided an opportunity for women of different cultures

### Harmony Day (March 2019)

- On 20 March, alongside the AMRC we led an informal question and answer session between community members from different cultural groups. The event was an opportunity for the newly arrived women to feel supported by the community during the various challenges associated with settlement and adjusting to a new community.



### **Migrant Swim and Survive Program (November 2017 – February 2019)**

- The Migrant Swim and Survive Program continues to gain momentum and is now in its fifth year. Funding has again been secured from the State Government's Sport and Recreation, Development and Inclusion Program and this has been expanded to include participants from a lower socioeconomic society. The strong relationship with the AMRC has been key to the success of this program. Seventy people attended the pool open day in February. The majority of attendees were Afghani and Malaysian men, women and children. Two instructors were available to offer informal lessons and instructing. Employer, JBS Bordertown, as a component of their wellness program, promoted the activity. Lunch and drinks were provided.
- Approximately 80 men, women and children have been involved in this program. The program has not only provided improved water safety knowledge and swimming competencies, but reduced social isolation and improved social cohesion.
- One key breakthrough this season was engaging with the young Muslim women. Previously they have only wanted to swim if

the pool was closed to all other public. Through the program, we purchased enough modesty suits to accommodate all the participants who were keen to be involved. With these suits the women were then encouraged to utilise the pool during normal opening hours. The older women were not prepared to engage in the program but the majority of the young women, teenage daughters and younger children did participate.

### **Volunteer Recognition**

- During National Volunteer Week Council acknowledged and thanked over 290 volunteers at three special events. The evenings were wonderfully catered for by the Mundulla Primary School, Keith Hospital Auxiliary and Padthaway Bowling club who collectively raised over \$8,000 for their community.
- Council acknowledges the invaluable contributions in the Tatiara made by volunteers.

## Youth Week & Youth Support Activities

- Young Tatiara residents aged between 12 and 25 could choose from more than 15 local events and activities to celebrate National Youth Week. Activities ranged from a Walkway Gallery art masterclass, State Theatre Company production Animal Farm to the launch of the new Keith Skate Park.
- We supported classes from our schools to celebrate the year's end with a free movie and BBQ in the Tatiara Civic Centre and Keith Institute.



## Website, Visual Identity, Social Media

Council's website [www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au) continued to be a popular resource for ratepayers and visitors, recording 27,023 visits or an average of 2,252 visits per month. The site has been strategically designed for the convenience of all users, enabling users to have information about Council around the clock, which includes Council Agendas, Minutes, Annual Reports, Policies, Budgets and other documents.

We have continued to grow our Facebook presence, reaching 791 followers on our Tatiara District Council page by 30 June 2019. Across our Facebook pages for Walkway Gallery, What's on Tatiara, Tatiara Civic Centre & Keith Institute and Council, we now have more than 2,914 followers.

During 2018/19 Council have been working with FULLER Brand + Communication Agency to develop a new visual identity, print material, web portal, content development and digital and content marketing campaign. The project has now been launched with a visual identity for a Visit and Stay campaign, consistent messaging and statements, and style guide.

A new website/portal now sits over the current Council website and features two simple entry points (Visit – link to existing Tatiara Tourism site with re-skin to fit with portal visual theme, and Stay – a new site highlighting Employment/Jobs – Investment – Living), development of new content (visit and stay videos, stories and photographs), and planning and implementation of a digital and content marketing campaign, will complete the project in 2019.

## Events and Partnerships

The partnership between Council and community groups involved in facilities and event management continued in 2018/19 and included:

- State of the Warrior Muay Thai Championship;
- Supporting movie fundraising events, including: Bordertown Rotary, Dolphins Swimming Club, Bordertown High School World Challenge Group; Bordertown Pedal Prix; Bordertown Football Club Junior Development Committee; Bordertown Basketball Association; and Keith Hockey Club.
- Supporting other fundraising and community events, including: Bordertown High School Murder Mystery Night; Salvation Army Presentation Events; Uniting Church SA Workshops; Ministry of Churches Christmas Carols; Keith Area School White Ribbon Program.
- Hosting free educational / informational / recreational film screenings for children from the Carol Murray Child Care Centre and approximately 1,000 primary and secondary school students from Bordertown, Keith, Mundulla and Padthaway;
- Hosting free film screenings for seniors from Bordertown, Keith, Kaniva and Nhill; and
- Supporting the Moot Yang Gunya Show, Bordertown Spring Festival, Keith and District Show and Christmas parades.



## Community Support

Council continues to support local community initiatives and the development of appropriate programs, services, activities and facilities to meet community need. During 2018/19, Council made financial contributions to the following groups and programs:

Community Support Projects		
Group Supported	Project Support	Amount
<b>Bordertown Martial Arts</b>	State of a Warrior Event held at the Bordertown Civic Centre	\$3,000
<b>Sherwood Fire Recovery</b>	Water Storage Tank for Fire Control	\$2,500
<b>Bordertown Rifle Club</b>	Facility Upgrade incorporating windows, painting, solar system, new verandah and toilet facility	\$8,000
<b>Bordertown RSL Club</b>	Supply and install 2 new air-conditioners	\$5,000
<b>Bordertown Racing Club</b>	Purchase new furniture for dining room for New Multifunction Centre	\$10,000
<b>Willalooka Hockey Club</b>	Shelter extension to existing clubrooms	\$6,000
<b>Wolseley Sports and Recreation</b>	Purchase new ride-on lawn mower	\$5,000
<b>Willalooka Progress Association</b>	Purchase new ride-on lawn mower	\$5,000
<b>Bordertown on the Move</b>	Art Project for the Wildlife Fence, with \$5,000 contributed from Bordertown Rotary	\$5,000
<b>Tatiara Chaplaincy Group</b>	Support towards the operations of Chaplaincy in the Tatiara Schools	\$10,000
<b>Bordertown &amp; Keith Men's Sheds</b>	Administrative Costs	\$1,350
<b>Bordertown &amp; Keith Senior Citizens</b>	Administrative Costs	\$1,350
<b>Bordertown Medical Hub</b>	Feasibility Study	\$20,455
<b>Keith Hospital</b>	Operating Funding Shortfall	\$70,000
<b>Bordertown Agricultural Museum</b>	Insurance Cover	\$550
<b>Bordertown Kindergym</b>	Jumping Castle equipment	\$750
<b>Bordertown Keith Gliding Club</b>	Cistern replacement	\$750
<b>Youth Sponsorships</b>	Training and personal development programmes, participation in state or national teams	\$970
<b>Bordertown Golf Club</b>	Sponsorship for South East Farmers Day	\$350
<b>Various Clubs and Grounds</b>	In-kind works completed by Council Staff for small amounts of rubble for driveways and grounds plus support with road closures for community events	\$10,154
<b>Stand Like Stone Foundation</b>	Annual Donation	\$2,000
<b>Migrant Resource Centre</b>	Support towards settlement of migrants within the community	\$15,000

## Library Services

In 2018/19, the libraries held some great events that were well received including author talks, historical bus tour as part of SA history month, Little Bank Science Discovery Club, Tech Savvy Seniors, Adult Learners Week to the ever popular school holiday activities.

During January to March the courier services transitioned from TOLL to Australia Post. This saw a reduction in loans as the changeover occurred, however as the inter library loan black boxes are now delivered everyday this has improved this facility to the delight of library customers.

Library in Numbers	
Activity	Total
Visits - door count	37,880
Loans	29,326
Public computers use	5,603 hours, 69% of time available
Information requests answered	4,609
Total membership	3,734
Library website sessions	3,897
JP Certification	648
Mobile printing	756



## Development Applications 2018/19

Council dealt with a range of Development Applications with the majority being for residential, commercial and industrial developments. Farm buildings again figured prominently in the applications. The value of development approved was approximately \$15,700,007 million, which is an increase of around \$4m million from the previous year and there was an increase in the number of applications from the previous year.

### Industrial Estates

The Bordertown and Keith Industrial Estates provide suitable land for new and existing businesses to develop and expand. Stage 3 of Bordertown Estate has been completed and this comprises of six new allotments. All the allotments in Stage 2 have been sold. Infrastructure planning is well underway for the expansion of the Keith Industrial Estate as all the allotments have been sold. It is imperative that Council continues to provide suitable land and the necessary infrastructure for economic growth as these form the basis for the ongoing sustainability of industry in the district.

## Council Development Assessment Panel

The transitional arrangements for the introduction of the new Planning, Development and Infrastructure Act 2016 ceased on 1 October 2017 and Council's Development and Assessment Panel arrangements formally commenced. The Panel consists of four members, including an independent chairman, two independent members and one elected member and they meet as required. Council's Director Development and Environmental Services was appointed as Council's Assessment Manager.

Council has advertised for new Panel Members in preparation for the introduction of the Planning and Design Code in April 2020 but due to the Accreditation requirements introduced it is difficult to attract suitable independent members.

## Building Approval Stats - 1 July 2018 - 30 June 2019

New Dwellings	11	\$2,677,377
Dwelling Additions	12	\$728,068
Commercial/Industrial	37	\$6,462,935
Outbuildings	89	\$5,814,172
Land Divisions	11	
<b>Total</b>	<b>160</b>	<b>\$15,682,553</b>

## Swimming Pools

Council provides excellent outdoor aquatic facilities at Bordertown and Keith. The pools are open from mid-November to early March. The Pool Manager has developed and administered a range of programs, including Bordertown Swim School, aqua fitness, Vac Swim and RLSSA Higher Awards, private swimming lessons, lap swimming and the Migrant Swim and Survive Program.

Council engaged the services of Marcus Lightfoot, a specialist in management of swimming pool structures, to develop a long term management plan for the Bordertown Pool as it is over 50 years old. It is envisaged substantial funds will need to be spent on the facility in future years.

## Local Action Plan Committee

Council continues to contribute \$40,000 per annum towards the Coorong Tatiara Local Action Plan committees (CTLAP). The Local Action Plan provides an excellent platform to leverage external funding for environmental and sustainable agricultural projects. Local Action Plan officers continue to work and engage with NRM groups, landholders and students undertaking various projects and education. They also provide technical support to land managers, agricultural and environmental groups Indigenous Communities, delivering a range of events, technical information, web based and social media content.

LAP officers also assist in managing land in the care and control of Council and with the development of a management plan for the Mundulla Common. Over many years Tatiara District Council has managed the Mundulla Common, but has found difficulty balancing community expectations, State and Federal Government requirements and biodiversity values.

It was decided a new Operations Plan was required and, once approved by Native Vegetation Council, Council could undertake management actions without the requirement for annual approvals. Due to the nationally endangered Grey Box (*Eucalyptus microcarpa*) Grassy Woodland vegetation community within Mundulla Common, an Operations Plan also has to fit within the requirements of the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act (1999).

The Plan meets these requirements and

provides actions to:

- Undertake weed management;
- Maintain perimeter fuel breaks; and
- Monitor vegetation condition.

The new Plan has been approved and is now in Operation.

## Tatiara Creek

A Management Plan for Tatiara Creek has been developed via a sub-regional project by Coorong Tatiara Local Action Plan staff and South East NRM staff. The identified areas of the Tatiara Creek where management actions, such as fencing to manage stock, weed control, erosion control and revegetation, can improve the condition of the Creek.

The Plan will support the prioritisation of management works, assist in applying for grants and contribute to landholders understanding of how the management of their section of Creek fits into the whole of the Tatiara Creek Management Plan.

## Sherwood Bushfire

On 6 January 2018, a bushfire burned about 12,000 hectares in the Sherwood area. The damage assessments completed post fire, estimate the damage caused as approximately \$7.1 million, including fencing, hay, irrigation, livestock, machinery, pasture, sheds, houses and crops.

A local recovery committee including affected landholders, Council, Primary Industries and Regions, Natural Resources South East, Coorong and Tatiara Local Action Plan (CTLAP), Health SA, Department of Communities and Social Inclusion, and Country Fire Service has worked with volunteer groups like Apex, Lions and the Men's Shed to match volunteers with landholders to provide fencing and other support as required.

Other recovery activities included bushfire planning information sessions, a tree planting day on a fire-affected property with year 6 and 7 students from Keith Area School, and targeted soil stabilisation with clay spreading over approximately 160ha of the most at risk soils led by CTLAP officer Tracey Strugnell. CTLAP was also successful in attracting funding support from the Native Vegetation Management Unit to assist landholders with boundary fencing on land that abuts Heritage Agreements.

Council co-ordinated the removal of asbestos from buildings destroyed by the fire for landowners.

The Committee has finally asked Primary Producers SA and the Limestone Coast Bushfire Management Committee to consider the development of an Electric Fence Code of Best Practice.

### Our Buildings

In 2017, Maloney Field Services revalued Council buildings and structures in compliance with Australian Accounting Standards AASB 116 – Property, Plant and Equipment and AASB 13 – Fair Value Measurement. The replacement cost for the buildings and structures was estimated at \$21m, with an accumulated depreciation value of \$10m, resulting in a current value of \$11m and annual depreciation expenses of \$482,000.

A addition to the Keith swimming pool changerooms was constructed as this will provide improved access and space for users especially the aged and people with a disability.

Works were undertaken on other buildings and structures in accordance with the maintenance schedule. Maintaining our buildings, and more importantly deciding what assets are surplus to requirements, especially when service levels and affordability are taken into consideration, will continue to be provide challenges.

### Immunisation

Council contracts the Bordertown Memorial Hospital to provide immunisation services for children who reside in the district. The programs are extremely beneficial and Council will continue to investigate ways to improve participation. In summary, 2017/18 was another busy, eventful and successful year for Tatiara District Council. But none of the above outcomes and initiatives would have been possible without the active support and strong leadership of our elected members. I would also like to thank all Council staff for their professionalism, hard work and dedication during the past year.

### In Closing

Last but by no means least, I would like to extend our heartfelt thanks to all the volunteers who make the Tatiara such a great place to live. More than 38% of us volunteer in our community, more than in any other local government area in the Limestone Coast, and almost double the Australian average. Whether in support of local events, sports or initiatives such as Meals on Wheels, as a community we are so much stronger, more vibrant, and liveable for having such generous and committed volunteers. Thank you.



ANNE CHAMPNESS  
Chief Executive Officer



# › Meet the Elected Members

Council consists of a Mayor and nine Elected Members, elected from across the district:

- Mayor Graham Excell
- Cr David Edwards
- Cr Liz Goossens
- Cr Miles Hannemann
- Cr Jamie Jackson
- Cr Cathy Langley (from November 2018)
- Cr Ken McInerney
- Cr Robert Mock
- Cr Mark Murphy (Not re-elected in November 2018)
- Cr Maureen Oliver
- Cr Diana Penniment

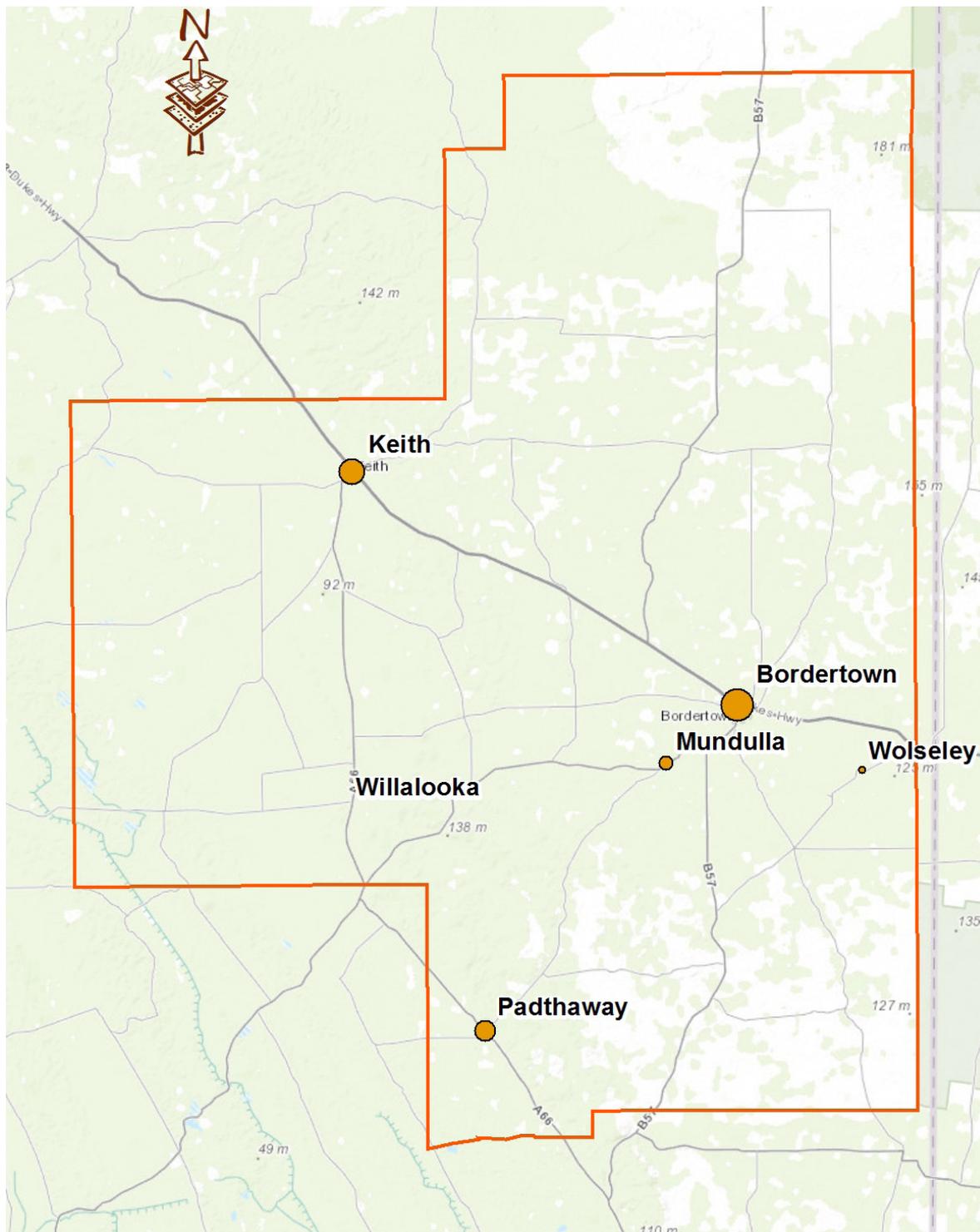


*Back Row: L-R Miles Hannemann, Jamie Jackson, Maureen Oliver  
Middle Row: L-R Ken McInerney, Robert Mock, Liz Goossens  
Front Row: L-R Cathy Langley, Diana Penniment, Graham Excell,  
David Edwards*

Area Councillors	Contact Details	Committee Roles
Mayor Graham Excell	PO Box 57, Mundulla Ph: (08) 8753 4096 Fax: (08) 8753 4096 Mob: 0428 534 096	TDC Executive Committee Local Government Association of SA voting delegate Local Government Finance Authority voting delegate Limestone Coast Local Government Association Limestone Coast Economic Development Group
Deputy Mayor David Edwards	PO Box 766, Bordertown Ph: (08) 8752 0608 Fax: (08) 8765 5073 Mob: 0413 601 283	Limestone Coast Local Government Association (proxy) TDC Audit Committee TDC Executive
Liz Goossens	PO Box 62, Mundulla Mob: 0448 292 821	TDC Executive Committee TDC Audit Committee Tatiara Road Safety Group Tatiara Tourism Group
Miles Hannemann	PO Box 53, Keith Ph: (08) 8756 7043 Fax: (08) 8756 7038 Mob: 0429 952 327	Murray Darling Association Limestone Coast Climate Adaption Committee TDC Executive Committee Keith Urban Development Subcommittee Plant & Machinery Subcommittee
Jamie Jackson	3258 Riddoch Highway, Willalooka Ph: (08) 8757 8276 Fax: (08) 8757 8276 Mob: 0427 799 504	Keith Gymnasium Committee LCLGA Roads & Transport Subcommittee Plant & Machinery Subcommittee
Cathy Langley	PO Box 185 Bordertown SA 5268 Ph: (08) 8752 0197 Fax: (08) 8752 0197 Mobile: 0428 720 197	Bordertown on the Move Committee Bordertown Hospital Health Advisory Committee
Ken McInerney	19 Haynes St, Bordertown Ph: (08) 8752 0091 Fax: (08) 8752 0510 Mob: 0407 793 938	TDC Building Fire Safety Committee
Robert Mock	PO Box 475, Bordertown Ph: (08) 8752 2743 Fax: (08) 8752 0843 Mob: 0429 944 213	Local Government Association of SA (proxy) Bordertown Medical Hub Working Group Limestone Coast Local Government Association (proxy) Limestone Coast Coorong Coastal Management Group TDC Audit Committee Plant & Machinery Subcommittee
Maureen Oliver	PO Box 354, Keith Ph: (08) 8755 3384 Mob: 0428 164 691	Keith Community Library TDC Development & Strategic Planning Committee TDC Executive Committee Keith Institute Management Committee Keith Urban Development Committee Council Development Assessment Panel
Diana Penniment	PO Box 177, Bordertown Ph: (08) 8752 0403 Fax: (08) 8752 0654 Mob: 0419 546 037	Bordertown High School Equipment Fund Tatiara Employment Solutions Bordertown Medical Hub Working Group Bordertown Swimming Pool Committee Bordertown on the Move Committee

# › Area Profile

We are located in the Limestone Coast (Upper South East) region of South Australia and have the main service centres of Bordertown and Keith and the three smaller townships of Mundulla, Wolseley and Padthaway. Also includes the smaller rural communities of Willalooka, Wirrega and Western Flat.

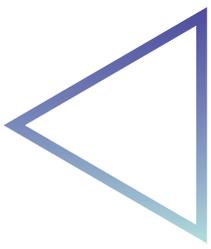


## › District Population



# › Tatiara in Focus





# > Senior Executive Officers

During 2018/19, Council had four Senior Executive Officers under the provisions of the Local Government Act 1999. All four of these officers are engaged under contracts. Their total remuneration packages consisted of the following:

Anne Champness

Chief Executive Officer

Four year Contract - includes salary, superannuation plus private use of vehicle.

Kingsley Green

Director Corporate & Community Services

Rocky Callisto

Director Development & Environmental Services

Aaron Hillier

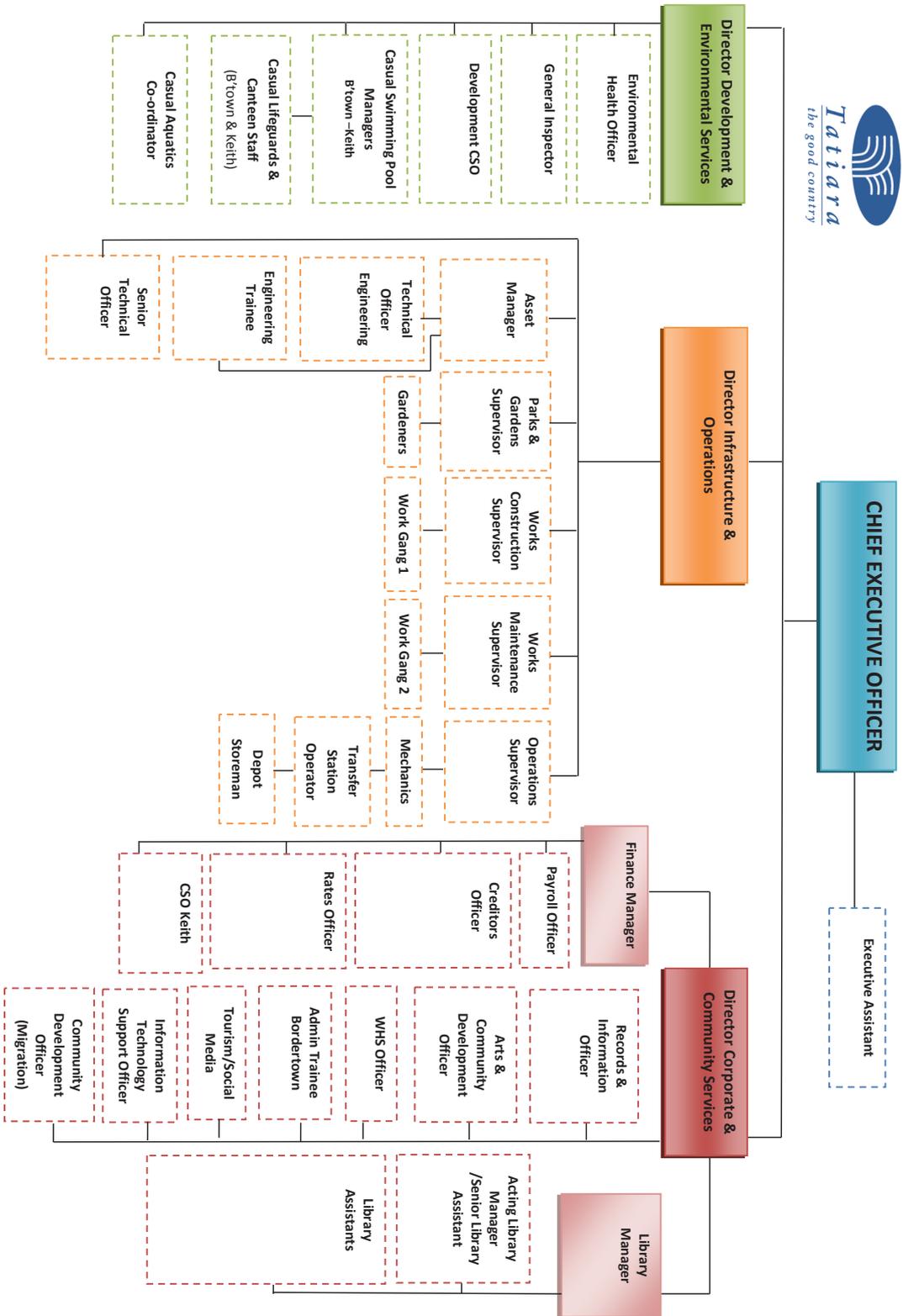
Director Infrastructure & Operations

Five year Contract - includes salary, superannuation plus private use of vehicle.

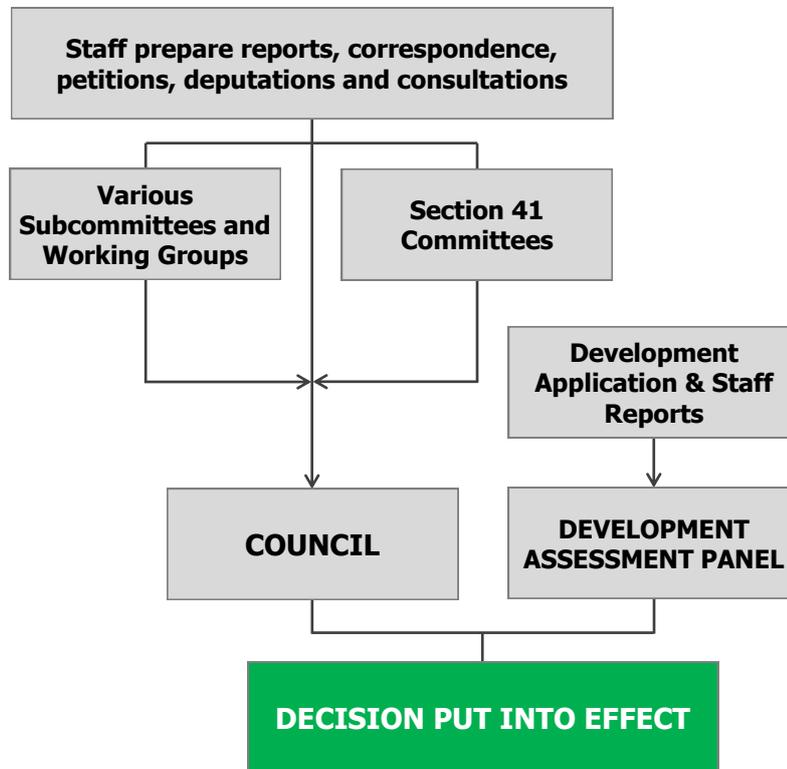


L-R: Kingsley Green, Rocky Callisto, Anne Champness & Aaron Hillier.

# › Organisation Structure



# › Decision Making Structure



# › Equal Opportunity

Council is committed to the principles of Equal Opportunity (EO). Our aim is to ensure fairness and equity in our organisation where the rights of individuals are upheld and everyone is treated with respect, fairness, equity and dignity. Selection of individuals for employment, promotion or advancement, training and staff development is on the basis of professional merit, in fair and open competition according to the selection

criteria, relevant/appropriate qualifications and knowledge relevant to the position.

Council's Enterprise Bargaining Agreements provides a range of family friendly benefits and flexible working arrangements acknowledging our commitment to being a family friendly workplace. This is reflected in the number of staff working on a part time basis rather than full-time.

# › Staff Facts

63.6 Full Time Equivalents

Male 44.3

Female 19.2



Total number of staff includes full time, part time, swimming pool staff (casual cinema): Total 94

Female - 78.61 total years total service

Male - 453.70 total years of service

15-24 years - 10 Female, 8 Male

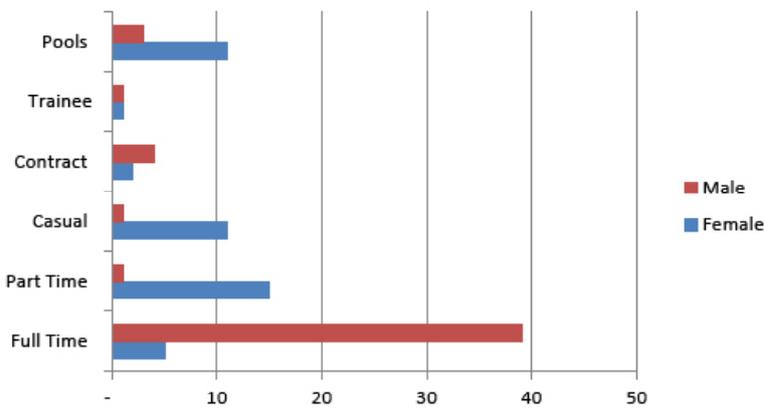
25-34 years - 6 Female, 7 Male

35-44 years - 8 Female, 3 Male

45-54 years - 13 Female, 12 Male

55 & Over - 8 Female, 19 Male

## Position Break Up - by Gender



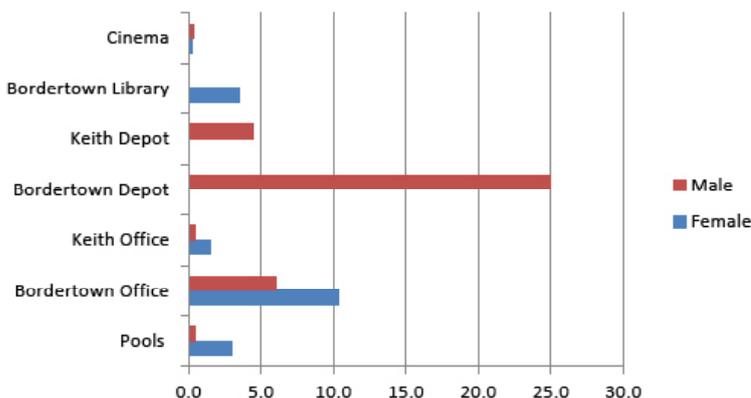
## Average Length of Service

Female 6.19 years

Male 9.26 years



## Position Break Up - by Employee Numbers



732.30 total years of service

**AVERAGE AGE**

**43 yrs**

Female 40 years Male 46

# › Elected Members

## Allowances

The below allowance amounts (as of November 2018) are per annum and are paid monthly in arrears:

Type of Allowance:

- Mayor \$55,600
- Deputy Mayor \$17,375
- Standing Committee Presiding Member \$17,375
- Elected Member \$13,900

Councillors are also reimbursed for expenses such as travelling and the Mayor is provided with a vehicle for use on Council business.

## Audit Committee

Non-Council members who serve on this committee are as follows:

- Sonia Winter
- Jim Ker

Non Council members receive the following allowances:

- Sitting fee \$150 per meeting
- Travel allowance (\$30 - 30-50 km from Council Office or \$50 - 50-100 km)

## Development Assessment Panel

Non-Council members who serve on this Panel are as follows:

- Bill Hender (Chairman)
- Edward Langley
- Christine Thompson

Non Council members receive the following allowances:

- Sitting fee \$150 per meeting
- Travel allowance (\$30 - 30-50 km from Council Office or \$50 - 50-100 km)

## Council Members Training & Development

Council has a Training and Development Policy for its Elected Members which sets out that Council is committed to providing training and development activities for its Council Members and recognises its responsibility to develop and adopt a policy for this purpose under the Local Government Act, section 80A.

It commits Council to developing and adopting a training and development plan each year so as to ensure that activities available to all Council Members contribute to the achievement of the strategic and good governance objectives of Council.

Council recognises that some of the training needs of Council Members will be specific to their legislative and governance roles and functions such as:

- Role and function of Council Members
- Relationship between Council Members, the CEO and staff

- Meeting Procedures
- Conflict of Interest
- Code of Conduct
- Specific areas of training and development deemed to be appropriate, eg. media training and issues that address environmental, social and economic challenges facing the community.

During 2018/19, the Mayor and/or Councillors:

- Attended LGA General meeting and associated events in Adelaide
- Attended LGA 2019 Showcase
- Attended Beechworth Festival of Change

## Meeting Times

Council meetings are held on the second Tuesday of each month commencing at 5.00 pm. The public are welcome to attend as part of the gallery.

## Elector Representation

### Representation Quota

The Tatiara District Council is a corporate body consisting of a Mayor and nine Elected Members. The Council area is not divided into wards and Councillors are known as Area Councillors. There is a requirement in the Local Government Act (Section 33) that the number of people represented by a Councillor in a ward must not vary by more than 10% from other wards. Currently the Tatiara District Council has 4,528 electors, this equates to an elector ratio of 1:452.

Representation Quota for Councils of similar size:

- Coorong District Council 1:375
- Naracoorte Lucindale Council 1:583
- Wattle Range Council 1:844
- Clare & Gilbert Valleys Council 1:668
- Goyder Regional Council 1:302
- Grant District Council 1:545

## Elected Members Attendances

Elected Members	Council		Notes
	Normal (12)	Special (3)	
Edwards, D	11	2	
Excell, GJ	10	3	
Goossens, EA	12	2	
Hannemann, MW	12	2	
Jackson, JK	11	3	
Langley, CJ	6	1	Elected November 2018
McInerney, KJ	8	1	
Mock, RJ	11	3	
Murphy, MF	3	1	Term ended November 2018
Oliver, MK	11	3	
Penniment, DE	12	3	

## Review of Council Representation



Council undertook a review of Council Representation which commenced in October 2012 and concluded in July 2013 and was in accordance with the statutory requirements of the Local Government Act 1999, which states that Councils must undertake an Elector Representation Review every 8 years. Council appointed CL Rowe and Associates to assist Council with the process.

The process involved considerable public consultation with the district's residents.

The outcomes of this process were:

- Council's Principal Member will be a Mayor elected by the electors. This was determined by a Poll of electors at which 60% voted in favour of changing from a Principal Member elected by the elected members to a Mayor elected by the electors.
- The number of Councillors will change from 10 to 9.
- The two ward system will change to a no ward system.
- The name of the Council will remain.

The above changes came into effect in November 2014.

The next Review will commence in 2020.

### **Elector Representation Submissions**

Under Section 28 of the Act a group of at least 20 eligible electors may submit to a Council a submission that the Council consider a proposal:

1. To alter the boundaries of the Council;
2. To alter the composition of the Council or the representative structure of the Council (including the creation, alteration or abolition of wards);
3. To incorporate within the area of the Council a part of the State that is not within the area of a Council.

A submission under subsection (2) must:

1. Set out in general terms the grounds on which the submission is made and the issues that should be considered in an assessment of the matter; and
2. Nominate five persons who are willing to represent the interests of persons who would be directly affected by any proposal based on the matters raised in the submission; and
3. Comply with guidelines published by the Panel.

On the receipt of a submission under subsection (2), a Council must consider the issues determined by the Council to be relevant to the matter and then decide whether or not it is willing to:

1. Conduct a review in relation to the matter under Division 2 of Part 1; or
2. Formulate (or participate in the formulation of) a proposal in relation to the matter under Division 4 of this Part.

The Council must give the eligible electors and the Panel written notice of its decision.

A group of eligible electors who, after making a submission under subsection (2), are dissatisfied with:

1. A decision of a Council under subsection (6); or
2. Any aspect of a review or proposed referred to in that subsection, may submit the submission, or a submission in substantially the same terms, to the Panel.

## Confidentiality Provisions

Council meetings are generally conducted in a public environment, however there are some circumstances where it may be necessary or appropriate for specific items from a meeting to be considered in confidence.

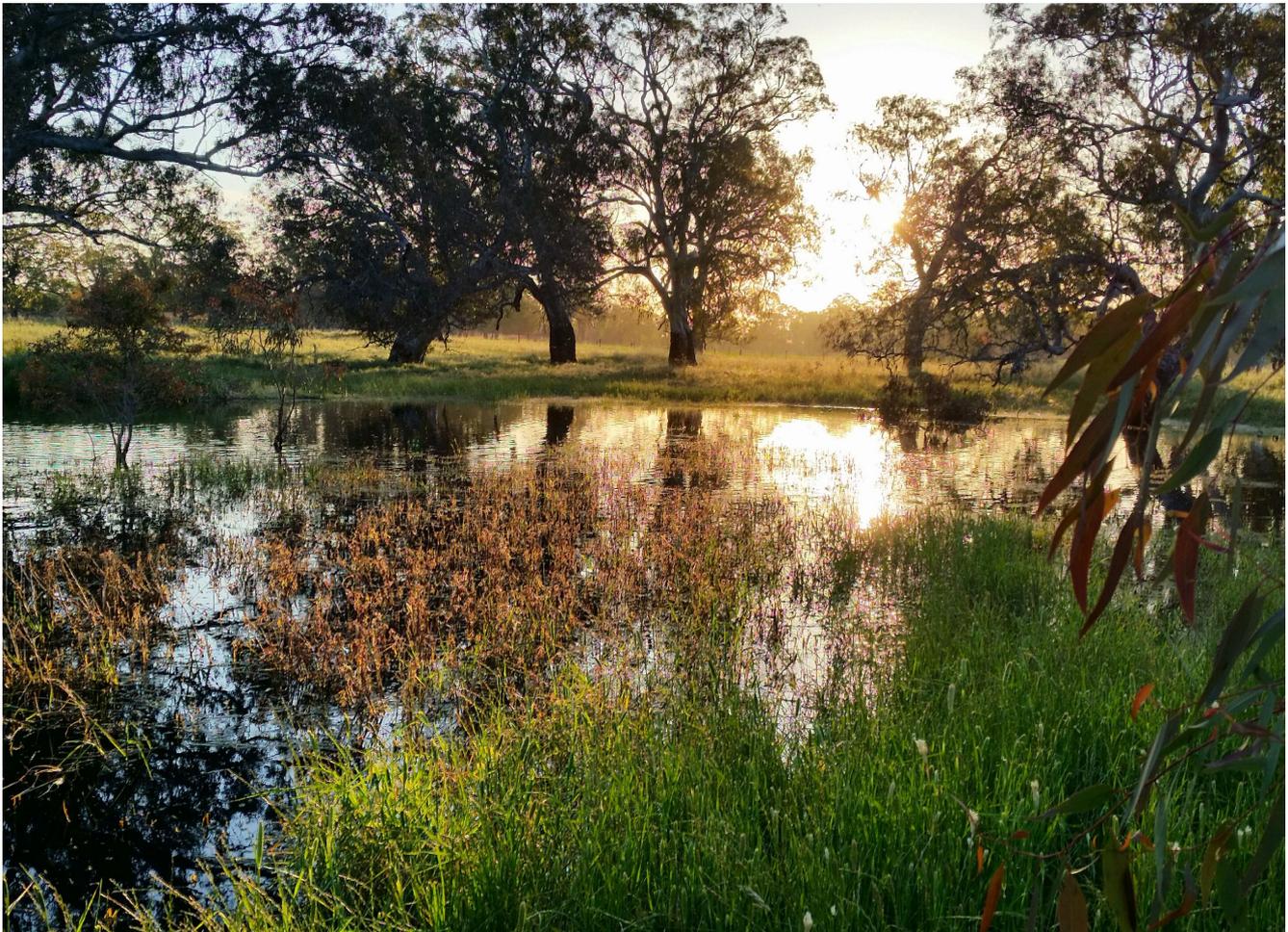
Section 90 of the Local Government Act sets out the specific circumstances where this may occur.

Council and/or Council Committees went into confidence twenty three times this past year to discuss the items set out in the table on the following page.

Council has adopted a Code of Practice - Access to Council Meetings & Documents. The objectives of this code are to:

- Clearly outline to the community for what purpose and on what basis Council may apply the provisions of the Local Government Act 1999 to restrict public access to meetings or documents;
- Provide information on Council's Code of Practice to the community; and
- Summarise the legal position relating to public access to Council and Committee meetings and documents.

A copy of this code is available at the Council Office. Any enquiries in relation to the process for seeking access to documents held by the Council should be directed to Council's nominated Freedom of Information Officer, Anne Champness, on (08) 8752 1044.



Date	Subject	Reasons	Remaining in Confidence
10/07/2018	Purchase and delivery of Bulk Fuel Tender	90 (3) (k)	Released 13/07/18
10/07/2018	15-17/18 CWMS Maintenance Contract	90 (3) (k)	Released 9/11/18
24/07/2018	CEO Performance Review	90 (3) (d)	Released 23/5/19
11/09/2018	10-18/19 Roadside Tree Trimming Contract	90 (3) (k)	Released 12/11/18
11/09/2018	9-18/19 Rubble Raising Contract	90 (3) (k)	Released 12/11/18
11/09/2018	CEO Performance Review	90 (3) (a)	Released 23/05/19
20/11/2018	Grader Purchase Recommendation	90 (3) (k)	Released 30/1/19
20/11/2018	China National Sword Policy Impact	90 (3) (d)	Released 23/5/19
20/11/2018	Offer to Purchase Allotment 11 Riches Street, Bordertown Industrial Estate	90 (3) (d)	Released 23/5/19
20/11/2018	Executive Committee	90 (3) (a)	Yes
11/12/2018	Cleaning Tenders	90 (3) (k)	Released 30/01/19
11/12/2018	Bordertown Health Hub Working Group	90 (3) (k)	Released 30/01/19
12/02/2019	Waste Collection Services Contract - Recycling Processing Fee Variation	90 (3) (d)	Yes
12/02/2019	Waste Management Services Contract - Breach of Terms and Conditions	90 (3) (d)	Yes
12/03/2019	Vogelsang Road Traffic Calming Installation Purchase Recommendation	90 (3) (k)	Released 29/8/19
12/03/2019	Service Road Keith Stormwater Installation Purchase Recommendation	90 (3) (k)	Released 29/08/19
12/03/2019	Recycling Reprocessing	90 (3) (d) (ii)	Released 23/5/19
26/03/2019	Bordertown Caravan Park	90 (3) (b) (i) & (ii)	Yes
09/04/2019	14-18/19 Supply of Emulsion to Bordertown Council Depot	90 (3) (k)	Yes
23/04/2019	Keith & District Hospital	90 (3) (d) (i) & (ii)	Released 29/08/19
14/5/2019	Economic Development and Tourism Strategy Next Steps	90 (3) (d) (i) & (ii)	Yes
11/06/2019	Recycling Reprocessing Contract	90 (3) (k)	Yes
11/06/2019	Bordertown Caravan Park Extension of Lease	90 (3) (b) (i) & (ii)	Yes

As at 30 June 2019, of the twenty three times Council went into confidence, fifteen reports/minutes were released and eight still remain confidential.

**Confidential Provisions Reasons Key**

- (a) Personal affairs of any person
- (b) Commercial advantage of a person
- (d) Commercial information of a confidential nature
- (k) Tender/supply of goods

## Internal Review of Council Decisions

Council is committed to transparent decision making processes, and in 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. If this happens then you have the right to make a formal request for an internal review of that decision whether it was made by Council, its employees, or other people acting on behalf of Council.

Formal requests for the review of Council decisions are to be made in writing to the Chief Executive Officer, providing full details about the review request. Principles of natural justice will be observed in dealing with all matters. All parties will have the opportunity to express their point of view, provide relevant information, and respond to issues raised.

During the 2018/19 financial year Council received no requests for a formal review of a Council decision.

## Freedom of Information

Tatiara District Council received two Freedom of Information applications during the 2018/19 financial year.

Inquiries or requests for information under the Act should be forwarded to:

Anne Champness  
Chief Executive Officer  
PO Box 346  
Bordertown SA 5268

## Freedom of Information Statement

An information statement in accordance with the requirements of the Freedom of Information Act 1991 is published by the Tatiara District Council annually and is available for viewing on Council's website.

## Mandatory Registers, Policies and Codes

### Mandatory Registers

Under the Local Government Act 1999 and the Local Government (Elections) Act 1999, Council is required to list the following registers:

1. Members' Register of Interest
2. Members' Register of Allowances and Benefits
3. Officers' Register of Remuneration
4. Office Register of Interest
5. Community Land Register
6. By-Law Register
7. Public Roads Register
8. Fees and Charges

## Community Land

Council is required to have in place Community Land Management Plans for all of its land that has been classified as "Community Land" in accordance with the requirements of the Local Government Act.

Any land acquired by Council (eg. by direct purchase) is classified as community land unless excluded prior to acquisition. Typically, any land purchased or held for operational purposes (eg. carparking, depots) is excluded from the Community Land classification.

When Council receives new Community Land it undertakes public consultation, in accordance with the Local Government Act, prior to adopting a Management Plan.

## Mandatory Codes of Conduct or Practice

Under the Local Government Act 1999, and the Local Government (Elections) Act 1999, Council is required to list the following codes of conduct or practice:

1. Meeting Procedure Code of Practice
2. Code of Conduct for Elected Members (prescribed by the Governor)
3. Code of Conduct for Employees (prescribed by the Governor)
4. Code of Practice - Access to Council Meetings & Documents

## Delivering Cost Effective Services

Council is committed to ensuring an efficient, effective and ethical use of resources as well as accountable and transparent processes to procure goods and services. For example, our Procurement and Tenders Policy aims to deliver best value services to the community.

When considering the most appropriate form of service delivery the following factors are considered:

- Council's strategic directions
- Relevant industrial awards and Enterprise Bargaining Agreements
- A need to control specific services
- Risks in adopting the various options
- Number of competitors in the marketplace
- Current service delivery arrangements
- Existing skills and resources of Council's staff
- Benefits associated with entering into a commercial activity or project

In fulfilling Council's procurement role, the following principles will apply:

- Transparency and accountability in purchasing procedures and practices to ensure responsibilities are clearly defined and decisions are made in a transparent manner.
- Open and fair competition to ensure that potential suppliers are given reasonable opportunity to bid for the required goods and services.
- Compliance with statutory and other obligations.
- The highest standard of professionalism and probity by making decisions in an ethical and impartial manner.
- Risk management practices and procedures in place to effectively manage risk exposure to Council with allocation of risk to the party best able to manage that risk; and
- Adopt practices that are consistent with the principles of ecological sustainability, to the greatest extent that is practicable.

If all factors are equal when evaluating quotes and tender bids, preference will be given to local businesses.

The table over the page shows the items that were tendered for during 2018/19.

Tender Number	Service/Product	Contractor/Supplier
01-18/19	Cleaning of public conveniences at Bordertown	Cheryl's Cleaning Service
02-18/19	Cleaning of public conveniences at Keith	Linda Gilmour
03-18/19	Cleaning of public conveniences at Willalooka	Heidie Searson
04-18/19	Cleaning of public conveniences at Padthaway	AW Haines & CA Shakes
05-18/19	Cleaning of public conveniences at Wolseley	Cheryl's Cleaning Service
06-18/19	Testing of Electrical Equipment	D & JK Wendelborn
07-18/19	Servicing of fire protection equipment, emergency exit light testing and replenishing first aid kits	SE Fire Extinguisher Services
08-18/19	Servicing and maintenance of the fire detection system in the Tatiara Civic Centre	Proficient Fire Protection
09-18/19	Rubble raising and supply	Bettsco Earthmoving Pty Ltd
10-18/19	Tree Timming 5 Year	D & G Tuckwell
19-18/19	Cleaning of Bordertown Civic Centre, Council Offices	Sovereign Carpet Cleaning
20-18/19	Cleaning of Keith Council Office, Depot and Keith Institute	Sovereign Carpet Cleaning
24-18/19	Keith Stormwater	BBE Contractors Pty Ltd
25-18/19	Padthaway Traffic Calming	Bull Bros Earthmoving Pty Ltd
26-18/19	Gardening Services - Mundulla Cemetery, Mundulla Playground, Wolseley Playground and Virgo Park	Tatiara Handy Help

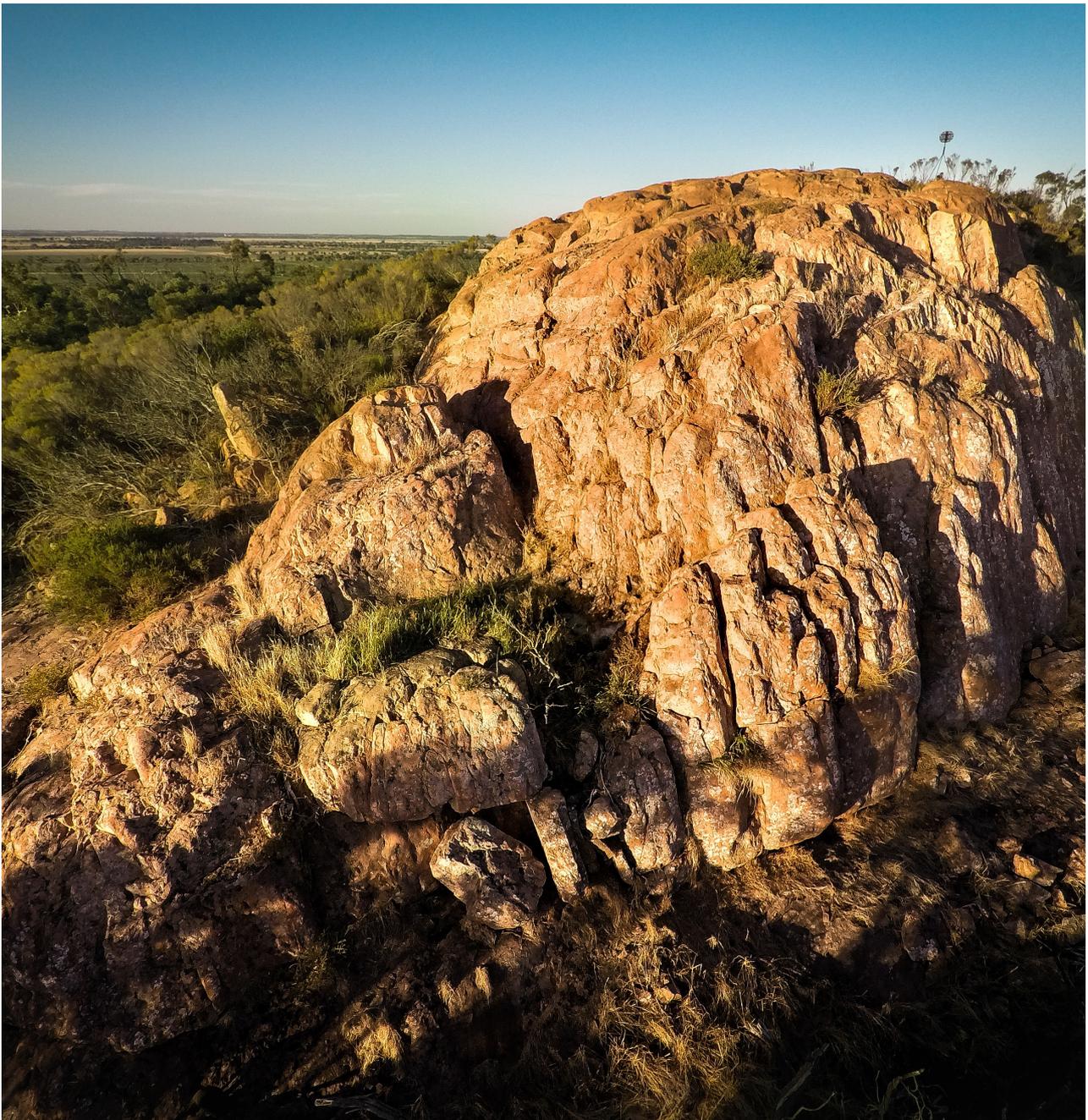
## National Competition Policy

By virtue of the Government Business Enterprise (Competition) Act 1996, Council is required to submit relevant information on the application of competition neutrality principles.

In 2018/19, there were no significant business activities controlled by Council to report, nor by-laws restricting competition, or complaints alleging a breach of competitive neutrality principles by Council.

## Local Nuisance and Litter Control Act

	Complaints received	Expiations	Prosecutions	Nuisance Abatement	Civil Penalties S34	Applications to the Court
Backyard Burning	5	Nil	Nil	Nil	Nil	Nil
Litter	6	Nil	Nil	Nil	Nil	Nil
Noise	1	Nil	Nil	Nil	Nil	Nil
Smoky wood heaters	1	Nil	Nil	Nil	Nil	Nil



# › STRATEGIC PLAN 2016-2020 and ANNUAL BUSINESS PLAN

The Strategic Plan is a high level planning document which is supported by a number of other plans, strategies and policies. Together these plans form Council's strategic management framework as set out in sections 122 and 123 of the Local Government Act 1999.

In accordance with s122 of the Act, the Strategic Plan must (among other things)

- identify Council's objectives for the area over a period of at least 4 years;
- identify the principal activities Council intends to undertake to achieve its objectives;
- state the performance measures (financial and non-financial) against Council's objectives; and
- identify the means by which Council's activities are to be carried out and its objectives achieved.

With these considerations in mind, it forms the most important planning document in setting Council's strategic direction for the term of the Council.

Council's Strategic Plan was adopted at its September 2016 meeting. Council's performance against its Strategic Plan and Annual Business Plan is detailed below.

## Annual Business Plan

The Annual Business Plan summarises the long term objectives in our Strategic Plan, outlines our initiatives and activities for the financial year, assesses our financial requirements, and sets out our rating structure.

**Annual budget:** Council's annual budget was formulated to address key outcomes from the Strategic Plan: "A financially accountable and sustainable organisation with well managed assets, appropriate planning and review systems, and an equitable rating system in place." It was developed in conjunction with the Ten-Year Financial and Annual Business Planning documents, and in light of finances reasonably available, services both required under legislation and those desired by the community, and with a view to long-term financial sustainability.

**Key financial indicators:** In accordance with Section 122 of the Local Government (Financial Management and Rating) Amendment Act 2005, Council implemented measures to assess its performance over the year. These are reviewed in detail in the financial section of this report.

**Council's performance target is to complete all of its planned activities in a financial year.**

### Completion of Planned Activities

Completed or Achieved	Commenced or Underway	Didn't Achieve
44	17	3
69%	27%	5%

# › Financial Management

## Responsibilities

**“To provide financial, information and customer services of a high quality in support of the general operations of Council”.**

- Financial Management and Reporting
- Property Information, Rate and Service Charges
- Annual Budget and Reviews
- Investments and Loans
- Accounts Payable and Receivable
- Information Technology and Communication Systems
- Records Management

## Achievements

- Unqualified Audit Report;
- Adoption of Annual Business Plan, Budget & Rates;
- Budget Reviews completed each quarter;
- Review & improvement of processes, systems & procedures;
- Review & improvement of Internal Financial Controls;
- Review of financial results against Council’s Strategic Plan & Long Term Financial Plan;

- Expansion of the records system to improve capture & management of documents & data;
- Continuing review of rating system & strategy;
- Review, adoption & implementation of Council’s Community Grants Policy & funding framework;
- Establishment of an Asset Management Committee to assist in asset financial management & planning;
- Review & development of financial policies & procedures.

Council is committed to ensuring that strong sustainable financial management underpins the provision of an extensive range of services to our community. Council manages approximately \$200 million in assets, which includes land, community buildings, library resources, recreation facilities, equipment, roads, footpaths, stormwater drains and community wastewater management systems. To maintain our region’s valuable assets and to deliver our services, Council collects revenue from ratepayers and receives some grant funding from the Federal and State Government.

Council is always mindful of the impact and affordability of rates for the community, both householders and businesses. Council’s Financial Sustainability Strategy contains a number of principles that guide its financial management in the areas of:

- Balanced budget
- Funded asset and service provision costs
- Debt limitations

- Review of assets
- Council rate increases

*to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records."*

## Audit Control

Galpins Accountants, Auditors and Business Consultants, have undertaken Council's Balance Date Audit at 30 June 2019 and issued an unqualified audit opinion, meaning the external Auditor is satisfied as to the overall standard of Council's accounting practices and management of Council's financial affairs.

The audit opinion is restricted to financial internal controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities. Overall the Council demonstrated significant progress towards the implementation of an internal control framework consistent with the principles within the Better Practice Model.

## Internal Control

Amendments to s129 of the Local Government Act 1999 now require auditors to provide an opinion regarding internal controls of councils. This applied to prescribed (metropolitan) councils from 2013-14 onwards, and to non-prescribed (regional) councils from 2015-16 onwards. This opinion focuses on councils' obligations under s125 of the Local Government Act 1999:

During their interim visit, Galpins found that the majority of key internal controls reviewed were in place and were operating effectively (76 out of 78 key controls reviewed). They found that the principles underpinning the model were used by Council in the identification of its business cycles, the establishment of its internal controls and the implementation of its risk management processes.

*"A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence*

A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	2017	2018	2019	Findings			
		Operating Effectively	Operating Effectively	Operating Effectively	H	M	L	BP
Purchasing & Procurement	7	6	7	7	-	-	-	-
Fixed Assets	13	10	10	12	-	1	-	-
General Ledger	9	9	9	8	-	-	1	-
Accounts Payable	11	10	10	11	-	-	-	-
Rates / Rates Rebates	9	9	9	9	-	-	-	-
Payroll	15	14	15	15	-	-	-	-
Banking	6	6	5	6	-	-	-	-
Debtors	6	6	6	6	-	-	-	-
Receipting	2	2	2	2	-	-	-	-
<b>Total</b>	<b>78</b>	<b>71</b>	<b>73</b>	76	-	1	1	-

## **Renewal and Replacement of Assets**

Consistent with the principles of financial sustainability, Council is committed to continuing its development of comprehensive asset management plans. The operations of Council are highly asset intensive – the Council has assets and infrastructure valued in excess of \$180 million – and the further development of long term asset management plans will deliver significant improvements to our strategic decisions.

Strategic decisions and budget allocations on capital can be significantly improved through the use of long term infrastructure and asset management plans. Recent amendments to the Local Government Act now require all Councils to have long term infrastructure and asset management plans for all of its assets.

Working with the Asset Management Coordinator, there is a continuing focus on asset accounting through: robust asset information, data and assessment to accurately reflect asset valuation, condition and local use. A rolling asset class program for revaluation and condition assessment was expanded to ensure Council's assets are appropriately managed and records maintained.

### **Annual Business Plan**

Pursuant to the provisions of Section 123 of the Local Government Act 1999 ("the Act") each Local Government Authority is required to develop an Annual Business Plan and a Budget for each financial year.

Council adopts an annual Business Plan that outlines the Council's objectives (as set out in the strategic management plans) for the financial year and assesses the financial requirements to meet those objectives.

The Annual Business Plan is available on Council's website, [www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au) or at Council's Bordertown and Keith Office and the Bordertown Library. Key business priorities, as detailed in the Annual Plan, include:

- Sustainability: ensuring Council's ability to manage its finances so it can meet spending commitments, both now and in the future.
- Asset management: implementing a systematic, structured approach to the maintenance, upgrade and operation of assets.

Council has taken a 10-year approach to addressing the above priorities, including plans for:

- Committing to expenditure on buildings, plant and equipment including the development of community hub facilities.
- Committing budget funds to road and footpath infrastructure.

A strategic focus is a must if long-term issues are to be managed responsibly, while community assets must be protected and preserved for future generations to use and enjoy, as many of these assets have useful lives of 100 years, perhaps longer.

Most importantly, Council implements a budget review process to ensure Council realigns the budget to the business plans and reassesses its service level requirements, resourcing needs, other inputs, outputs and outcomes for service in each area. This ongoing work will help monitor that outcomes from Council's strategic plan are budgeted, measured, reviewed and reported.

## 2018/19 In Focus

Throughout 2018/19 Council continued with its rigorous approach to financial accountability, where it not only met all of its financial and statutory reporting requirements, but it also managed its expenditure and income in line with the discipline of a far-sighted Long-Term Financial Strategy. By focusing on the renewal of ageing infrastructure and responsible financial management, Council is protecting future generations by funding a sustainable future today. This resulted in Council adopting a responsible 2018/19, budget which saw funds allocated to core and essential services.

The strategy outlines a number of approaches we will employ in setting our budgets over the next three years including:

- Concentrating on existing projects and plans.
- Using reserve funds where appropriate.
- Maintaining project and capital works budgets at current levels.

- Reviewing our Major Projects to ensure we are within our borrowing capacity resulting from our Long Term Financial Plan.
- Building capacity to respond to external funding opportunities in the areas of community and economic development.
- Realigning existing services.
- Identifying savings in our operating costs.
- Ensuring responsible rate increases.
- Providing contingency funds to ensure we have capacity to respond to funding opportunities and the ability to absorb unforeseen financial shocks.
- Defining targets for our key financial performance indicators.

### Facts & Figures – Budget Performance

Category	2016/17 Actual	2017/18 Actual	2018/19 Actual	% Change 17/18 – 18/19
Capital Valuation	1,690,347,000	1,757,209,800	1,834,864,320	4.42%
No. of Rateable Assessments	4,734	4,750	4,774	0.50%
General Rate Revenue	7,689,590	7,784,140	8,094,616	2.8%
Residential Rate in the \$	0.6250	0.6095	0.6042	-0.87%
Rural Rate in the \$	0.4165	0.4100	0.4028	-1.76%
Rural Living Rate in the \$	0.5000	0.4876	0.48336	-0.87%
Refuse Collection & Disposal	280	290	300	3.45%
STEDS Charge - Occupied	340	340	340	0.0%
STEDS Charge - Vacant	190	190	180	-0.05%
Minimum Rate	550	560	560	0.00%

## Financial Accountability and Responsibility

Council's Strategic Plan stipulates that Council will continue to develop and implement a robust and transparent system of financial management aligned to its Strategic Management Plan and maintained to a category 3 level of financial sustainability. Category 3 financial sustainability is described as 'financially sustainable with a moderate margin of comfort'. It is calculated by dividing the operating surplus (before capital revenues) by the rate revenue for the year and adjusting for any significant capital backlog. Category 3 equates to an operating surplus of between 0% - 5%. In 2018/19 Council achieved an Operating Surplus, and continued to reverse the prior trend of Operating Deficits. The commitment of Elected Members and staff over recent years in achieving financial sustainability in accordance with the Strategic Plan has ensured the Tatiara District Council has secured a solid financial position.

Council maintains its focus through a Corporate Reporting Framework that identifies financial and non financial measures to ensure our performance can be assessed against stated objectives. Included in the regular schedule of reports are:

- Monthly financial reports to Council.
- Quarterly budget reviews to Council and Audit Committee.
- Quarterly key financial indicator updates to Council and Audit Committee.
- Annual Report.

The Framework is continually being reviewed to ensure it delivers the most informative and effective reports to Council.

## Financial Indicators

In accordance with Section 122 of the Local Government (Financial Management and Rating) Amendment Act 2005, Council is required to introduce measures to assess its performance over the financial year. The Local Government Financial Sustainability Program has defined a series of financial indicators that have been incorporated into the Model Financial Statements. These indicators provide information on financial performance, financial position and long term viability. The Operating Surplus before capital items for 2018/19 was above budget and continues our strong performance over recent years. It provides a sound base for the achievement of our financial sustainability objectives into the future.

Council, by using a number of key financial indicators, assesses its financial sustainability to determine its financial performance and position. Council's long term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned and disruptive increases in rates or cuts to services.

Long term financial sustainability promotes fairness in distributing public resources between current and future ratepayers, that is inter generational equity, it maintains a healthy financial position and provides greater stability and certainty of financial outcomes. It also ensures continuation of delivery of essential community services and the efficient operation of infrastructure and a reasonable degree of stability and predictability in overall rates burden over time.

The financial measures adopted by the Council, which are in line with those recommended for all councils by the Local Government Association of South Australia, are contained in Note 14 of the financial statements and are commented on, on the following pages.

Facts & Figures – Financial Performance					
Category	Target	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual
Operating Surplus/(Deficit)	Surplus	(1,004,000)	2,089,000	643,000	1,069,000
Operating Surplus Ratio	0 or +	(7.5%)	12.3%	4.1%	7%
Adjusted Op. Surplus Ratio	-	3.3%	12.9%	4.6%	5%
Net Financial Liabilities Ratio	0 – 65% of Op. Rev.	-38%	-48%	-67%	-75%
Asset Renewal Funding Ratio	100%	112%	105%	72%	117%
Asset Sustainability Ratio	90 – 110%	69%	62%	52%	66%

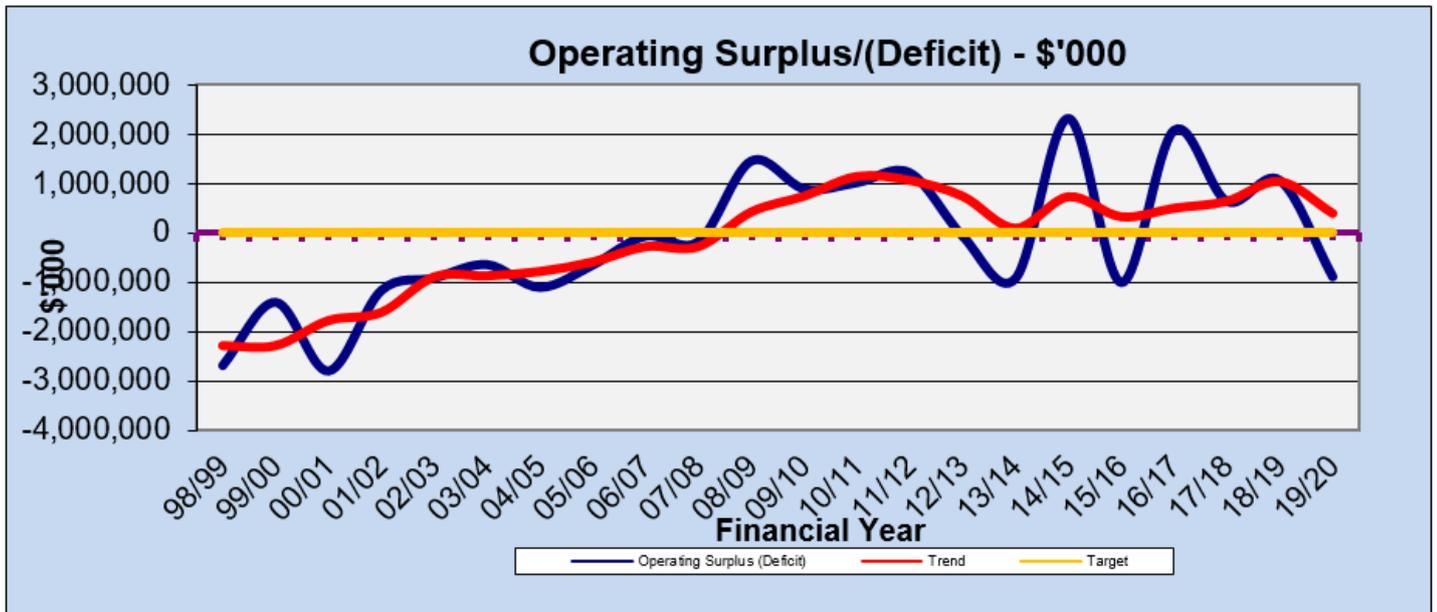
Note:  
 In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$634,000 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$1,364,000; and in June 2013, again two quarters of the 2013/14 allocation: \$1,439,000. These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was \$1,439,000, which has affected the operating results for that year. The 2014/15 financial year reflects the receipt of two quarters of the 2015/16 allocation; \$1,504,274. The 2016/17 financial year reflects the receipt of two quarters of the 2017/18 allocation; \$1,618,062. The 2017/18 financial year reflects the receipt of two quarters of the 2018/19 allocation; \$1,706,011. The 2018/19 financial year reflects the receipt of two quarters of the 2019/20 allocation; \$1,950,429

### Operating Surplus/ (Deficit)

**Indicator:** An operating surplus before capital revenues indicates the extent to which operating revenue is sufficient to meet all operating expenses including depreciation. An operating deficit occurs when total operating expenses exceed total operating revenues and consequently the burden of a portion of expenses will need to be met by future ratepayers. For the Tatiara District Council, this indicator is being used to measure the 'gap' from our operating result to break even.

**Target:** At the end of the five year period to 2018/19 we will achieve an accumulated operating surplus/(deficit) position that will be within a band of +/-5% of rate revenue without requiring significant increases in rates or decreases in services throughout the period.

**Result:** In 2018/19 Council recorded an operating surplus of \$1,069,000. As illustrated by the following graph, the 5 year trend average is a surplus of \$1,025,000 and the 10 year average being a surplus of \$728,500.

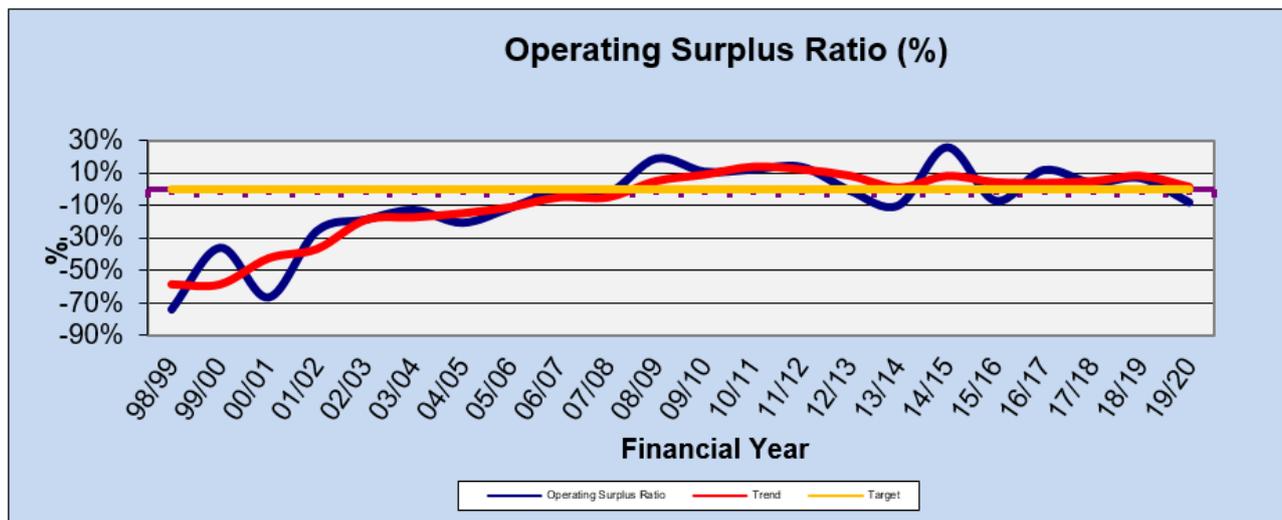


### Operating Surplus/ (Deficit) Ratio

**Indicator:** This ratio expresses the operating surplus / (deficit) as a percentage of general and other rates, net of rebates. A negative ratio indicates the percentage increase in total rates required to achieve a break-even operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing council's level of net financial liabilities.

**Target:** at the end of the five year period to 2018/19 we will achieve an accumulated operating surplus/ (deficit) ratio that will be within a band of +/-5%. This ratio is consistent with the Operating Surplus indicator.

**Result:** Council achieved a ratio of 7% in 2018/19, however the 5 year average is 8.4% and the 10 year average is 6.86%.



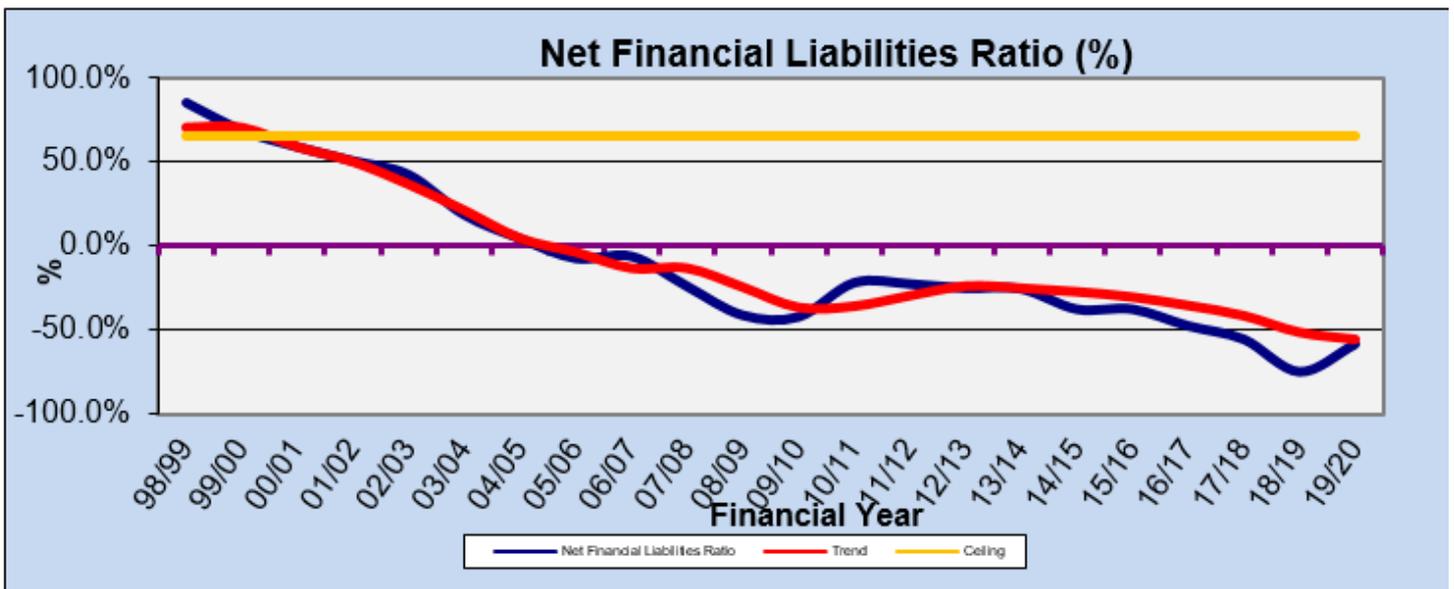
## Net Financial Liabilities Ratio

**Indicator:** This ratio indicates the extent to which net financial liabilities of the council can be met by the Council's total operating revenue. Where the ratio is falling, it indicates the council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates a greater amount of council's operating revenues is required to service its financial obligations.

**Target:** Over the five year period to 2018/19 our net liabilities as a percentage of total operating revenue will not exceed 65%.

This ratio is consistent with the net financial liabilities indicator.

**Result:** This ratio indicates the extent to which net financial liabilities of the Council could be met by its operating revenue. The Council achieved -75% in 2018/19, with a 5 year trend average of -53% and a 10 year average of -41%.



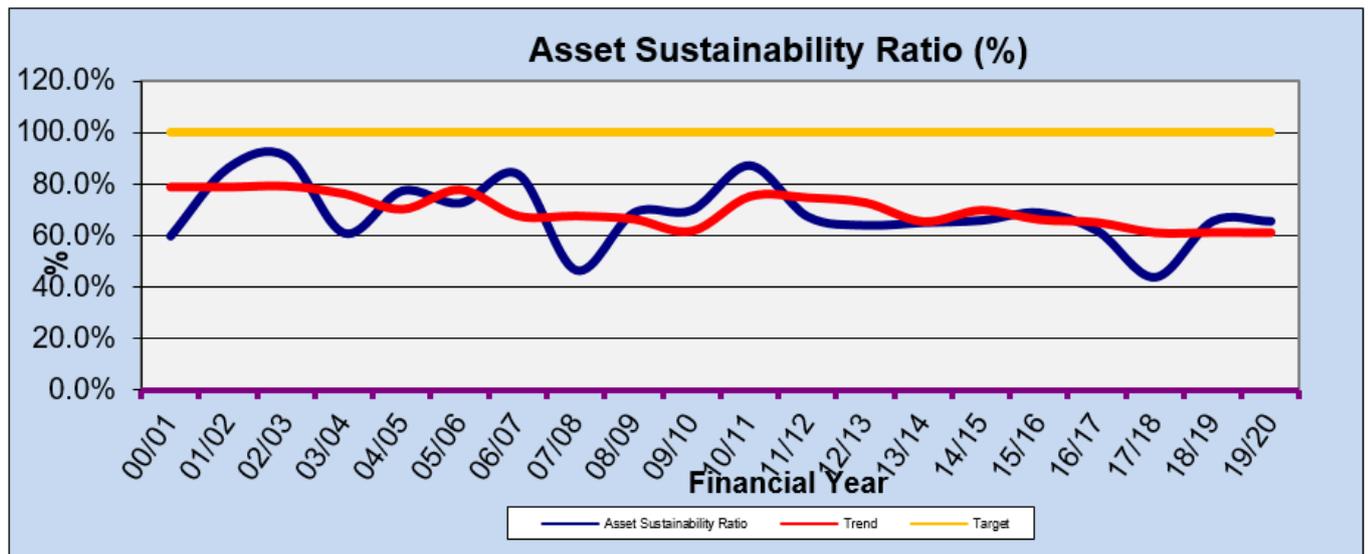
## Asset Sustainability Ratio

**Indicator:** This ratio indicates whether a Council is renewing or replacing existing non- financial assets at the same rate that its overall stock of assets is wearing out.

**Target:** The target for this ratio is an average between 90% and 100% over any five-year period. This would mean that Council is replacing 100% (or all) of the assets that require renewal.

**Result:** In 2018/19 Council achieved a ratio of 65%, which is well below Council's target of between 90% and 110%. However, Council is expecting to significantly improve its performance in relation to asset management from 2018/19, where it intends to spend in accordance with its 10 year infrastructure and

asset management plans. In 2018/19 Council's Asset Renewal Funding Ratio was 117%, which highlights the cash flow from Council's operations expressed as a percentage of the average asset replacement required from the Asset Management Plans and Schedules.



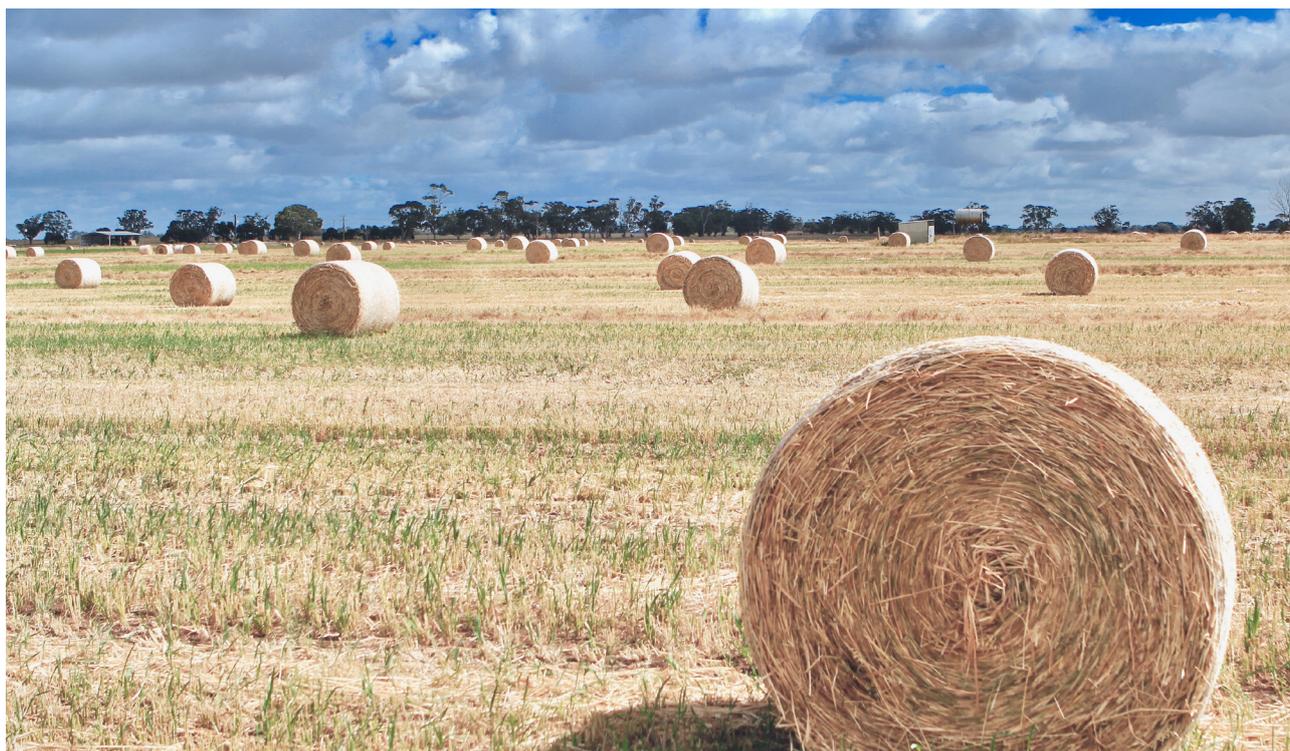
The LGA SA Information paper 12 (published in 2007): targets for Local Government Indicators: Suggests that Council's can choose one of two options for their Asset Sustainability Ratio:

- Option 1: Capital outlays on renewing/replacing assets net of proceeds from sale or replaced assets is greater than 90% but less than 110% of depreciation over a 3 year rolling period.
- Option 2: Capital outlays on renewing/replacing assets net of proceed from sale of replaced assets is greater than 90% but less than 110% of the level proposed in the infrastructure and asset management plan over a rolling 3 year period

Information paper 12 was discontinued in 2012, and its contents were merged into LGA Information Paper 9 (published in 2015), which suggests that option 2 is the preferred option with no mention of the first option.

Historically Council initially decided to use depreciation in the calculation of this ratio because Asset Management Plans had not been completed for all categories of Council's assets. However, AMPs have now been completed for the majority of assets, making option 2 the most suitable for our Council.

Option 2 ensures we are spending the appropriate amount on asset renewals as per Council's current asset management plans, taking into account the current position of our assets in their lifecycle which is not currently consistent with our depreciation costs. According to our Asset Management Coordinator, "the risk of adopting this indicator is that we don't have the capacity to fund renewals in the long-term. To overcome this we need to maintain accurate asset management plans and condition monitoring so that we have a good understanding of the peaks and troughs well in advance so Councillors can make informed decisions when setting rates. We also have significant capacity to reduce upgrade funding in the future to pay for renewals."





Tatiara District Council



2018-19 Audited  
Financial  
Statements

[www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au)

Adopted Council Meeting 8 October 2019

# Galpins

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& Business Consultants

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Liability limited by a scheme approved  
under Professional Standards Legislation

Anne Champness  
CEO  
Tatiara District Council  
43 Woolshed Street  
Bordertown SA 5268

Dear Ms Champness,

### Re: Tatiara District Council – Financial Statements Audit – 2018/19

We have recently completed our audit of the financial statements and internal controls of the Tatiara District Council and intend to issue an unmodified report for both the financial statements and the internal controls opinion.

Australian Auditing Standards require us to advise all the Immaterial Uncorrected Misstatements found during the audit. There were no Immaterial Uncorrected Misstatements found.

I confirm also my intention to sign the Statement by Auditor regarding my independence, and confirm that for the audit of 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.

Yours faithfully,

### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

**Tim Muhlhausler** CA Registered Company Auditor  
Partner

27 September 2019

**TATIARA DISTRICT COUNCIL**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2019**

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**TATIARA DISTRICT COUNCIL**  
**Annual 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.

  
Anne Champness  
CHIEF EXECUTIVE OFFICER

  
Graham Excell  
MAYOR

Date: 8/10/19

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Page 1

**TATIARA DISTRICT COUNCIL**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
Rates	2	10,147	9,868
Statutory charges	2	126	129
User charges	2	453	517
Grants, subsidies and contributions	2	4,657	4,483
Investment income	2	272	213
Reimbursements	2	341	227
Other income	2	392	326
<b>Total income</b>		<u>16,388</u>	<u>15,763</u>
<b>EXPENSES</b>			
Employee costs	3	4,318	4,205
Materials, contracts & other expenses	3	5,659	5,766
Depreciation, amortisation & impairment	3	5,247	5,046
Finance costs	3	95	103
<b>Total Expenses</b>		<u>15,319</u>	<u>15,120</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>1,069</u>	<u>643</u>
Asset disposal & fair value adjustments	4	(105)	(287)
Amounts received specifically for new or upgraded assets	2	387	566
<b>NET SURPLUS / (DEFICIT)</b> (transferred to Equity Statement)		<u>1,351</u>	<u>922</u>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	2,547	4,270
<b>Total Other Comprehensive Income</b>		<u>2,547</u>	<u>4,270</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>3,898</u>	<u>5,192</u>

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Page 2

**TATIARA DISTRICT COUNCIL**  
**Statement of Financial Position**  
**as at 30 June 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	14,830	12,709
Trade & other receivables	5	733	817
Inventories	5	1,208	1,028
<b>Total Current Assets</b>		<u>16,771</u>	<u>14,554</u>
<b>Non-current Assets</b>			
Financial assets	6	53	84
Infrastructure, property, plant & equipment	7	190,595	188,634
<b>Total Non-current Assets</b>		<u>190,648</u>	<u>188,718</u>
<b>Total Assets</b>		<u>207,419</u>	<u>203,272</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,154	750
Borrowings	8	124	145
Provisions	8	1,049	943
<b>Total Current Liabilities</b>		<u>2,327</u>	<u>1,838</u>
<b>Non-current Liabilities</b>			
Borrowings	8	853	1,062
Provisions	8	84	115
<b>Total Non-current Liabilities</b>		<u>937</u>	<u>1,177</u>
<b>Total Liabilities</b>		<u>3,264</u>	<u>3,015</u>
<b>NET ASSETS</b>		<u>204,155</u>	<u>200,257</u>
<b>EQUITY</b>			
Accumulated Surplus		835	1,039
Asset Revaluation Reserves	9	192,039	189,492
Other Reserves	9	11,281	9,726
<b>TOTAL EQUITY</b>		<u>204,155</u>	<u>200,257</u>

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

**TATIARA DISTRICT COUNCIL**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2019**

2019	Notes	Acc'd Surplus \$'000	Asset Rev'n Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		1,039	189,492	9,726	200,257
<b>Net Surplus / (Deficit) for Year</b>		<b>1,351</b>			<b>1,351</b>
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment	9		2,547		2,547
Transfers between reserves	9	(1,555)		1,555	-
<b>Balance at end of period</b>		<b>835</b>	<b>192,039</b>	<b>11,281</b>	<b>204,155</b>

2018	Notes	Acc'd Surplus \$'000	Asset Rev'n Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		1,555	185,222	8,288	195,065
<b>Net Surplus / (Deficit) for Year</b>		<b>922</b>			<b>922</b>
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - infrastructure, property, plant & equipment	9		4,270		4,270
Transfers between reserves	9	(1,438)		1,438	-
<b>Balance at end of period</b>		<b>1,039</b>	<b>189,492</b>	<b>9,726</b>	<b>200,257</b>

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

**TATIARA DISTRICT COUNCIL**  
**Statement of Cash Flows**  
**for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts:</i>			
Rates - general & other		10,139	9,859
Fees & other charges		126	139
User charges		591	427
Investment receipts		273	204
Grants utilised for operating purposes		4,657	4,819
Reimbursements		341	250
Other revenues		349	967
<i>Payments:</i>			
Employee costs		(4,206)	(4,254)
Materials, contracts & other expenses		(5,470)	(7,129)
Finance payments		(99)	(107)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>6,701</b>	<b>5,175</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		387	566
Sale of replaced assets		167	411
Sale of surplus assets		160	-
Repayments of loans by community groups		29	27
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(3,616)	(2,638)
Expenditure on new/upgraded assets		(1,477)	(1,379)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(4,350)</b>	<b>(3,013)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Payments:</i>			
Repayments of borrowings		(230)	(137)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(230)</b>	<b>(137)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>2,121</b>	<b>2,025</b>
Cash & cash equivalents at beginning of period	11	12,709	10,684
<b>Cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>14,830</b>	<b>12,709</b>

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

# TATIARA DISTRICT COUNCIL

## 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

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 8<sup>th</sup> 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 this Note.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

Tatiara District Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 43 Woolshed Street, Bordertown. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

#### 3 Income recognition

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.

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 Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Received	Payment	Annual Allocation	Difference
2016/17	\$4,576,861		\$2,958,799	+ / - \$1,618,062
2017/18	\$3,315,188		\$3,227,239	+ / - \$87,969
2018/19	\$3,756,372		\$3,511,934	+ / - \$244,438

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Page 6

# TATIARA DISTRICT COUNCIL

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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

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

The actual amounts of untied grants received during the reporting periods (including the advance allocations) 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.

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

#### 5 Inventories

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

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

##### 6.1 Land under roads

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

##### 6.2 Initial Recognition

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

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

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

##### 6.3 Materiality

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

# TATIARA DISTRICT COUNCIL

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

### 6.4 Subsequent Recognition

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

### 6.5 Depreciation of Non-Current Assets

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

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

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

## 7 Payables

### 7.1 Goods & Services

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

### 7.2 Payments Received in Advance & Deposits

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

## 8 Borrowings

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

## 9 Employee Benefits

### 9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	1.081% (2018, 2.462%)
Weighted average settlement period	1 year (2018, 1 year)

No accrual is made for sick leave as Council 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. Council does not make payment for untaken sick leave.

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# TATIARA DISTRICT COUNCIL

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

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

### 10 GST Implications

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

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

### 11 New Accounting Standards

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.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

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.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 12.

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. In these Statements, the sum of \$387,000 has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been 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.

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**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 2 - INCOME**

	Notes	2019 \$	2018 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		8,268	8,042
Less: Mandatory rebates		(143)	(139)
Less: Discretionary rebates, remissions & write offs		(32)	(30)
		8,093	7,873
<u>Other Rates (including service charges)</u>			
Natural Resource Management levy		537	520
Waste collection		635	604
Community wastewater management systems		836	827
		2,008	1,951
<u>Other Charges</u>			
Penalties for late payment		46	44
		46	44
		10,147	9,868
<b>STATUTORY CHARGES</b>			
Development Act fees		66	71
Health & Septic Tank Inspection fees		9	10
Animal registration fees & fines		37	35
Sundry		14	13
		126	129
<b>USER CHARGES</b>			
Cemetery/crematoria fees		53	84
Visitor Information Centre		19	30
Truck Wash Fees		84	85
Sangarb Collection Fees		79	107
Swimming Pool Revenue		115	109
Ticket Sales		39	40
Hall & equipment hire		35	33
Sundry		29	29
		453	517
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		253	189
Banks & other		12	10
Loans to community groups		7	14
		272	213

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

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

	Notes	2019 \$	2018 \$
<b>REIMBURSEMENTS</b>			
- for private works		189	73
- other		152	154
		<u>341</u>	<u>227</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		1	1
Rebates received		53	47
Tatiara United Sporting Grant Funds		52	-
Keith Service Income (Services SA, Centrelink)		118	120
Health Inspection Food Premises Audits		95	74
Sundry		73	84
		<u>392</u>	<u>326</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		387	566
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		3,757	3,315
Roads to Recovery		-	795
Supplementary Roads Grants		839	279
Library & Communications		24	25
Sundry		37	69
		<u>4,657</u>	<u>4,483</u>
		<u>5,044</u>	<u>5,049</u>
<i>The functions to which these grants relate are shown in Note 11.</i>			
<b>Sources of grants</b>			
Commonwealth government		46	1,640
State government		4,998	3,409
		<u>5,044</u>	<u>5,049</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE**

	Notes	2019 \$'000	2018 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		3,928	3,756
Employee leave expense		253	268
Superannuation - defined contribution plan contributions	16	291	254
Superannuation - defined benefit plan contributions	16	102	102
Workers' Compensation Insurance		156	163
Less: Capitalised and distributed costs		<u>(412)</u>	<u>(338)</u>
<b>Total Operating Employee Costs</b>		<u><b>4,318</b></u>	<u><b>4,205</b></u>
<b>Total Number of Employees</b>		<b>56</b>	<b>55</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			
- Auditing the financial reports		20	23
Elected members' expenses		217	215
Election expenses		29	2
Subtotal - Prescribed Expenses		<u>266</u>	<u>240</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		1,679	1,786
Maintenance		3,056	3,208
Legal Expenses		34	34
Levies paid to government - NRM levy		538	525
Minor Capital Purchases		84	57
Fuel and Oil		331	296
Sundry		<u>(329)</u>	<u>(380)</u>
Subtotal - Other Materials, Contracts & Expenses		<u><b>5,393</b></u>	<u><b>5,526</b></u>
		<u><b>5,659</b></u>	<u><b>5,766</b></u>

(Sundry Other Expenses is in negative as a result of internal recovery income being \$415K greater than prior year in 2017/18. 2018/19 was \$29K less than 2017/18. Plant Hire Rates are to be reviewed.)

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE con't**

	2019	2018
Notes	\$'000	\$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings and Other Structures	709	708
Roads	3,277	3,079
Bridges	25	25
Footways	136	122
Sewerage, Effluent Drainage	445	432
Stormwater Drainage	74	72
Other Structures	71	78
Plant & Equipment	509	530
Other Community Assets	1	-
	<u>5,247</u>	<u>5,046</u>
<b>FINANCE COSTS</b>		
Interest on Loans	<u>95</u>	<u>103</u>
	<u>95</u>	<u>103</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

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

	Notes	2019 \$	2018 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		167	411
Less: Carrying amount of assets sold		319	698
<b>Gain (Loss) on disposal</b>		<u>(152)</u>	<u>(287)</u>
<i>Assets surplus to requirements</i>			
Proceeds from disposal		160	-
Less: Carrying amount of assets sold		113	-
<b>Gain (Loss) on disposal</b>		<u>47</u>	<u>-</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<u>(105)</u>	<u>(287)</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 5 - CURRENT ASSETS**

	Notes	2019 \$'000	2018 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		299	342
Deposits at Call		7,831	12,367
Short Term Deposits & Bills, etc		6,700	-
		<u>14,830</u>	<u>12,709</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		465	457
Accrued Revenues		41	42
Debtors - general		103	241
GST Recoupment		95	52
Loans to community organisations		31	29
Total		<u>735</u>	<u>821</u>
Less: Allowance for Doubtful Debts		2	4
		<u>733</u>	<u>817</u>

*Amounts included in receivables that are not expected to be received within 12 months of reporting date.*

**INVENTORIES**

Stores & Materials	1,208	1,028
	<u>1,208</u>	<u>1,028</u>

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

**Note 6 - NON-CURRENT ASSETS**

	Notes	2019 \$'000	2018 \$'000
<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		53	84
		<u>53</u>	<u>84</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

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

Fair Value Level	2018 \$'000				2019 \$'000			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
2	7,040	-	-	7,040	6,927	-	-	6,927
3	4,273	-	-	4,273	4,273	-	-	4,273
2	4,823	-	(3,768)	1,055	4,823	-	(3,808)	1,015
3	25,324	73	(9,917)	15,480	25,251	73	(10,544)	14,780
3	184,747	2,218	(52,655)	134,310	184,747	11,663	(59,336)	137,074
3	1,955	175	(917)	1,213	1,955	175	(942)	1,188
3	5,127	360	(1,347)	4,140	5,127	790	(1,515)	4,402
3	25,849	408	(15,005)	11,252	25,849	1,136	(15,885)	11,100
3	6,356	26	(2,106)	4,276	6,356	370	(2,261)	4,465
3	2,468	162	(1,248)	1,382	2,468	80	(1,330)	1,218
3	6,755	291	(2,893)	4,153	6,755	315	(2,972)	4,098
	-	23	(2)	21	-	23	(3)	20
	-	39	-	39	-	35	-	35
	274,717	3,775	(99,858)	188,634	274,531	14,660	(98,596)	190,595
	<b>170,828</b>	<b>1,065</b>	<b>(95,802)</b>	<b>186,091</b>	<b>274,717</b>	<b>3,775</b>	<b>(99,858)</b>	<b>188,634</b>

**Comparatives**

This Note continues on the following pages.

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**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

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

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2019 \$'000
	\$'000										
	2018 \$'000	Carrying Amount	Additions		Disposals	Depreciation	Transfers		Net Revaluation	2019 Carrying Amount	
New / Upgrade			Renewals	In			Out				
Land - Other	7,040	-	-	(113)	-	-	-	-	-	6,927	
Land - Community	4,273	-	-	-	-	-	-	-	-	4,273	
Buildings and Other Structures Level 2	1,055	-	-	(40)	(40)	-	-	-	-	1,015	
Buildings and Other Structures Level 3	15,480	-	-	(669)	(669)	-	-	(31)	-	14,780	
Roads	134,310	1,158	2,691	(54)	(3,277)	-	-	2,246	-	137,074	
Bridges	1,213	-	-	-	(25)	-	-	-	-	1,188	
Footways	4,140	166	20	(10)	(136)	9	-	213	-	4,402	
Sewerage, Effluent Drainage	11,252	-	-	-	(445)	-	-	293	-	11,100	
Stormwater Drainage	4,276	134	-	(50)	(74)	-	-	179	-	4,465	
Other Structures	1,382	14	52	(18)	(71)	-	-	(141)	-	1,218	
Plant & Equipment	4,153	-	853	(187)	(509)	-	-	(212)	-	4,098	
Other Community Assets	21	-	-	-	(1)	-	-	-	-	20	
Work in Progress	39	5	-	-	-	-	-	(9)	-	35	
<b>Total IPP&amp;E</b>	<b>188,634</b>	<b>1,477</b>	<b>3,616</b>	<b>(432)</b>	<b>(5,247)</b>	<b>9</b>	<b>(9)</b>	<b>2,547</b>	<b>-</b>	<b>190,595</b>	
<b>Comparatives</b>	<b>186,091</b>	<b>1,379</b>	<b>2,638</b>	<b>(698)</b>	<b>(5,046)</b>	<b>-</b>	<b>-</b>	<b>4,270</b>	<b>-</b>	<b>188,634</b>	

This note continues on the following pages.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

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

**Valuation of Assets**

**General Valuation Principles**

**Accounting procedure:** Upon revaluation, the current new replacement cost and accumulated depreciation are 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, fair value is taken to be the current replacement cost.

**Highest and best use:** For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

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

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

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

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

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

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

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

Buildings - new construction/extensions	\$5,000
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

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

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

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

<b>Plant, Furniture &amp; Equipment</b>	
Vehicles and Road-making Equip	2 to 50 years
Other Plant & Equipment	5 to 15 years
<b>Building &amp; Other Structures</b>	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	10 to 100 years
Playground equipment	5 to 20 years
Benches, seats, etc	10 to 20 years
<b>Infrastructure</b>	
Sealed Roads – Surface	17 to 25 years
Sealed Roads – Structure	3 to 50 years
Unsealed Roads	19 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	15 to 40 years
Drains	25 to 65 years
Culverts	80 to 100 years
Flood Control Structures	50 to 75 years
Bores	20 to 40 years
Reticulation Pipes – PVC	60 to 100 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

**Land & Land Improvements**

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

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

**Buildings & Other Structures**

Buildings and other structures were revalued as at 30 June 2017 by Peta Mantzarpis FAPA and Mitch Ekonomoplulos AAPI of Maloney Field Services.

**Infrastructure**

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2017, based on actual costs incurred during the reporting periods ended 30 June 2016 and 2017. All acquisitions made after the respective dates of valuation are recorded at cost. Data corrections were made to data following segment adjustments and more up to date information available.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 2017 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2017 based on actual costs incurred during the reporting periods ending 30 June 2015 and 30 June 2016. All acquisitions made after the respective dates of valuation are recorded at cost.

**Plant, Furniture & Equipment**

These assets were revalued as at 30 June 2016 by Council officers with a valuation basis of modern equivalent.

**All other assets**

These assets are recognised on the cost basis.

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**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 8 - LIABILITIES**

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		869	-	493	-
Accrued expenses - employee entitlements		236	-	199	-
Accrued expenses - other		31	-	35	-
Deposits, Retentions & Bonds		18	-	23	-
		<u>1,154</u>	<u>-</u>	<u>750</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		124	853	145	1,062
		<u>124</u>	<u>853</u>	<u>145</u>	<u>1,062</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		1,049	84	943	115
		<u>1,049</u>	<u>84</u>	<u>943</u>	<u>115</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1-7-2018	Net Increments/ (Decrements)	Transfers, Impairments	30-6-2019
<b>Notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land - Community	63,761			63,761
Land - Other	5,121			5,121
Buildings & Other Structures	79,295	(171)		79,124
Sewerage, Effluent Drainage	3,709	293		4,002
Stormwater Drainage	2,594	178		2,772
Plant & Equipment	1,308	(212)		1,096
Roads	25,917	2,246		28,163
Footways	861	213		1,074
Bridges	6,926			6,926
<b>TOTAL</b>	<b>189,492</b>	<b>2,547</b>	<b>-</b>	<b>192,039</b>
<b>Comparatives</b>	<b>185,222</b>	<b>4,270</b>		<b>189,492</b>

<b>OTHER RESERVES</b>	1-7-2018	Transfers to Reserve	Transfers from Reserve	30-6-2019
Long Service Leave Reserve	349	7		356
Plant Replacement Reserve	406	-	(53)	353
Clayton Farm Reserve	82		(13)	69
CWMS Maintenance Reserve	6,680	640		7,320
Reserve Land Development	731		(127)	604
Reserve Keith Community Library	28	1		29
Reserve Tatiara Creek	45	1		46
Reserve Rubble Rehabilitation	307	5		312
Future Road Renewal	783	1,088		1,871
Unplanned Maintenance	254	5		259
Reserve Open Space	61	1		62
<b>TOTAL OTHER RESERVES</b>	<b>9,726</b>	<b>1,748</b>	<b>(193)</b>	<b>11,281</b>
<b>Comparatives</b>	<b>8,288</b>	<b>1,461</b>	<b>(23)</b>	<b>9,726</b>

**PURPOSES OF RESERVES**

**Asset Revaluation Reserve**

**Asset Revaluation Reserve**

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

**Tatiara 04 Long Service Leave**

The Long Service Leave Reserve is for the future cash requirements upon staff leaving Council employment.

**Tatiara 20 Plant Replacement**

The Plant Replacement reserve is for urgent unbudgeted major plant and equipment replacement.

**Tatiara 22 Clayton Farm Insurance**

The Clayton Farm Insurance reserve is to be spent towards capital to maintain Clayton Farm's heritage.

**Tatiara 05 CWMS Maintenance Reserve**

The CWMS Maintenance reserve is for future asset replacement and capital maintenance of CWMS.

**Tatiara 28 Land Development Reserve**

This reserve was established for Land Development in Keith Industrial Estate.

**Tatiara 27 Keith Community Library**

Council is acting as an agent and providing financial services for the library.

**Tatiara 28 Creek Reserve**

Money is held in this reserve to prepare for a flood event that may happen within 100 years.

**Tatiara 29 Rubble Rehabilitation**

Money put aside for future rehabilitations.

**Tatiara 30 Open Space Reserve**

Part of a development application legal requirement to put money into open space reserve.

**Tatiara 31 Future Road Renewal**

Money put aside for future road renewal works required.

**Tatiara 32 Unplanned Maintenance**

Money put aside for any unplanned/unbudgeted urgent maintenance works.

**Galpins**

**TATIARA DISTRICT COUNCIL**  
**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>14,830</u>	<u>12,709</u>
Balances per Cash Flow Statement		<u>14,830</u>	<u>12,709</u>

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

Net Surplus (Deficit)		1,351	922
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		5,247	5,046
Net increase (decrease) in unpaid employee benefits		112	(49)
Change in allowances for under-recovery		(2)	(4)
Grants for capital acquisitions treated as Investing Activity		(387)	(566)
Net (Gain) Loss on Disposals		<u>105</u>	<u>287</u>
		6,426	5,636
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		88	(173)
Net (increase) decrease in inventories		(180)	(242)
Net increase (decrease) in trade & other payables		<u>367</u>	<u>(46)</u>
<b>Net Cash provided by (or used in) operations</b>		<u><b>6,701</b></u>	<u><b>5,175</b></u>

**(c) Financing Arrangements**

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

Bank Overdrafts	350	350
Corporate Credit Cards	10	10
LGFA Cash Advance Debenture facility	80	62

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

## TATIARA DISTRICT COUNCIL

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

Note 11 - FUNCTIONS

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

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2019	2018	2019	2018
	2019	2018	2019	2018	2019	2018	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	12,346	11,683	1,004	905	11,342	10,778	3,174	2,805	61,023	59,802
Public Order & Safety	42	39	202	184	(160)	(145)	-	1	170	167
Health	111	93	164	149	(53)	(56)	-	-	127	125
Social Security and Welfare	64	53	318	201	(254)	(148)	5	-	272	267
Housing and Community	1,628	1,643	2,619	2,508	(991)	(865)	4	-	3,131	3,068
Protection of the Environment NEC	-	-	1	1	(1)	(1)	-	-	-	-
Sporting and Recreation	292	269	2,492	2,604	(2,200)	(2,335)	24	34	1,459	1,430
Agricultural Services	3	23	596	591	(593)	(568)	-	20	380	373
Mining Manufacturing and Construction	66	72	(21)	179	87	(107)	-	-	347	340
Transport and Communications	1,589	1,644	5,867	5,761	(4,278)	(4,117)	1,435	1,596	133,011	130,351
Economic Affairs NEC	23	23	280	219	(257)	(196)	-	-	1,165	1,142
Other Purposes NEC	224	221	1,797	1,818	(1,573)	(1,597)	15	27	6,334	6,207
<b>TOTALS</b>	<b>16,388</b>	<b>15,763</b>	<b>15,319</b>	<b>15,120</b>	<b>1,089</b>	<b>643</b>	<b>4,657</b>	<b>4,483</b>	<b>207,419</b>	<b>203,272</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 11 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

The activities relating to Council functions are as follows:

**Administration**

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, 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 and Safety**

Supervision of various by-laws, fire and prevention and animal control.

**Health**

Food control, operation of community health programs.

**Social Security and Welfare**

Volunteer Services.

**Housing and Community Amenities**

Rubbish collection services, operation of tip, effluent drainage, public toilets, street cleaning and lighting, town planning, stormwater drainage, land development, maintenance of cemeteries.

**Protection of the Environment NEC**

Foreshore protection, flood protection.

**Sport and Recreation**

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation.

**Agricultural Services**

Pest Plant Services.

**Mining, Manufacturing and Construction**

Building Act Requirements, quarry operations.

**Transport and Communications**

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

**Economic Affairs NEC**

Land Development Activities, caravan park operations, off street parking, tourism.

**Other Purposes NEC**

Public Debt transactions, plant and machinery operations, depot expenses, vandalism costs and private works.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1.25% and 1.5% (2018: 1.5% and 1.75%). Short term deposits have an average maturity of 365 days and an average interest rates of 1.87%.</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legal &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.55% (2018: 0.56%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> 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. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable . Interest is charged at fixed rates between 6.8% and 6.8% (2018: 5.15% and 6.8%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	14,830	-	-	14,830	14,830
Receivables	738	56	2	796	786
<b>Total</b>	<b>15,568</b>	<b>56</b>	<b>2</b>	<b>15,626</b>	<b>15,616</b>
<b>Financial Liabilities</b>					
Payables	887	-	-	887	887
Current Borrowings	189	-	-	189	124
Non-Current Borrowings	-	756	283	1,039	853
<b>Total</b>	<b>1,076</b>	<b>756</b>	<b>283</b>	<b>2,115</b>	<b>1,864</b>
<b>2018</b>					
	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	12,709	-	-	12,709	12,709
Receivables	364	87	8	459	448
<b>Total</b>	<b>13,073</b>	<b>87</b>	<b>8</b>	<b>13,168</b>	<b>13,157</b>
<b>Financial Liabilities</b>					
Payables	516	-	-	516	516
Current Borrowings	224	-	-	224	145
Non-Current Borrowings	-	840	478	1,318	1,062
<b>Total</b>	<b>740</b>	<b>840</b>	<b>478</b>	<b>2,058</b>	<b>1,723</b>

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	0	-	4%	18
Fixed Interest Rates	6.80%	977	6.21%	1,189
		<u>977</u>		<u>1,207</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

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

**Risk Exposures:**

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any 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.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 13 - COMMITMENTS FOR EXPENDITURE**

	<b>2019</b>	<b>2018</b>
<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure commitments in relation to Other Expenditure:		
Waste Management Services	<b>1,889</b>	1,886
Employee Remuneration Contracts	<b>2,450</b>	1,631
Pathway Gardening	<b>36</b>	36
Audit Contract	<b>41</b>	61
Roadside Slashing	<b>-</b>	47
Roadside Tree Trimming	<b>482</b>	-
Street Cleaning	<b>125</b>	69
IT Contract	<b>313</b>	28
	<u><b>5,336</b></u>	<u>3,758</u>
These expenditures are payable:		
Not later than one year	<b>1,667</b>	1,716
Later than one year and not later than 5 years	<b>3,669</b>	2,042
	<u><b>5,336</b></u>	<u>3,758</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 14 - FINANCIAL INDICATORS**

	2019	2018	2017
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	7%	4.1%	12.3%
Total Operating Income			

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

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	-75%	-67.0%	-48.0%
Total Operating Income			

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

**Adjustments to Ratios**

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

<b>Adjusted Operating Surplus Ratio</b>	5%	4.6%	12.9%
<b>Adjusted Net Financial Liabilities Ratio</b>	-64%	-56.0%	-38.0%

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	117%	72.0%	105.0%
Net Asset Renewals - IAMP			

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

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 15 - UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2019		2018
	\$		\$
Income	16,388		15,763
Expenses	<u>(15,319)</u>		<u>(15,120)</u>
<b>Operating Surplus / (Deficit)</b>	<b>1,069</b>		<b>643</b>
<b>Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	(3,616)		(2,638)
Add back Depreciation, Amortisation and Impairment	5,247		5,046
Proceeds from Sale of Replaced Assets	<u>167</u>		<u>411</u>
	<b>1,798</b>		<b>2,819</b>
<b>Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	(1,477)		(1,379)
Amounts received specifically for New and Upgraded Assets	387		566
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>160</u>		<u>-</u>
	<b>(930)</b>		<b>(813)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>1,937</u></b>		<b><u>2,649</u></b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 16 – SUPERANNUATION**

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

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

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE  
STATEMENT OF FINANCIAL POSITION**

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

**1. LAND UNDER ROADS**

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

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 18 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons were paid the following total compensation:

	2019	2018
	\$	\$
Salaries, allowances & other short term benefits	747,280	828,178
<b>TOTAL</b>	<b>747,280</b>	<b>828,178</b>

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

	2019	2018
	\$	\$
Planning and building applications fees	416	185
<b>TOTAL</b>	<b>416</b>	<b>185</b>

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Total purchases from any of these individual businesses did not exceed \$75,000 during the year.

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

One Key management personnel has two close family members employed by Council during the reporting term. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in discussions associated with Employees.

Two planning and building approvals, with and without conditions, were granted during the year Total fees for these applications (all of which are payable on lodgement) amounted to \$416.

One Key Management Personnel is a member of the Keith War Memorial Sports Centre Committee. In accordance with the Local Government Act 1999, this person declares an interest in matters relating to Keith War Memorial Sports Centre. During the year the Sports Centre received payment of its insurance.

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

## **TATIARA DISTRICT COUNCIL**

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

#### **Note 18 - RELATED PARTY DISCLOSURES con't**

One Key Management Personnel is a member of the Bordertown RSL Sub Branch. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Bordertown RSL Sub Branch. During the year the Bordertown RSL received \$5,000 from Council.

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

One Key Management Personnel are member of the Keith War Memorial Community Centre Committee. In Accordance with the Local Government Act 1999, these people declare an interest in matters relating to Keith War Memorial Community Centre.

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

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

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

One Key Management Personnel is a member of the Stand Like Stone Foundation . In Accordance with the Local Government Act 1999, this person declares an interest in matters involving Stand Like Stone Foundation. During the year the Stand Like Stone Foundation received \$2,000 from Council.

One Key Management Personnel is a member of the Bordertown Primary School Governing Council . In Accordance with the Local Government Act 1999, this person declares an interest in matters involving Bordertown Primary School Governing Council.

One Key Management Personnel is a member of the Tatiara Water Allocation Committee, representing Mudulla Grape Growers. In Accordance with the Local Government Act 1999, this person declares an interest in matters involving Tatiara Water Allocation Committee.

One Key Management Personnel is a member of the Bordertown Health Foundation, representing Mudulla Grape Growers. In Accordance with the Local Government Act 1999, this person declares an interest in matters involving Bordertown Health Foundation.

**TATIARA DISTRICT COUNCIL**  
**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 Tatiara District Council for the year ended 30 June 2019, the Council's Auditor, Galpins, Accountants, Auditors and Business Consultants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
Anne Champness  
CHIEF EXECUTIVE OFFICER

  
Robert Mock  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 8/10/19

**Galpins**

**TATIARA DISTRICT COUNCIL**  
**Annual Financial Statements**  
**for the year ended 30 June 2019**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Tatiara District 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*.



**Timothy Muhlhauser**  
**Galpins, Accountants, Auditors and Business Consultants**

Dated this 30 day of October 2019

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**Galpins**

# Limestone Coast Local Government Association

The Limestone Coast Local Government Association (LCLGA) is a regional subsidiary established pursuant to section 43 of the Local Government Act 1999 (the Act) by the -

1. City of Mount Gambier;
2. District Council of Grant;
3. Kingston District Council;
4. Naracoorte Lucindale Council;
5. District Council of Robe;
6. Tatiara District Council;
7. Wattle Range Council.

Under its Charter, LCLGA's objectives are to:

- Work in association with both the LGA of SA (LGASA) and the Australian Local Government Association to assist in the achievement of their aims and objectives;
- 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 social, environmental and community 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 its region;
- Develop and manage policies which guide the conduct of programs and projects in its region with the objective of securing the best outcomes for the communities of the region;
- Undertake projects and activities that benefit its region and its communities;
- Associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest;

- Implement programs that seek to deliver local government services on a regional basis.

## Office Bearers 2018-19

In accordance with the LCLGA Charter, the positions of LCLGA President and Vice President are appointed at the Annual General Meeting, held in February.

At the Annual General Meeting in February 2019, Mayor Erika Vickery was again elected as LCLGA President, to serve in the position for a period of 12 months. Mayor Richard Sage was elected as LCLGA Vice President.

During 2018-2019, the Executive Officer role was filled by Dominic Testoni until 15 January 2019 and Tony Wright commenced 3 June 2019. Biddie Shearing was the interim Executive Officer for the period 15 January to 3 June 2019.

Galpins are the appointed Auditor.

To view the entire Annual Report please follow contact us or follow this link: [http://www.lclga.sa.gov.au/~lclga/application/files/7315/7128/6841/LCLGA\\_Annual\\_Report\\_Financial\\_Statements\\_2018-19\\_-\\_FINAL.pdf](http://www.lclga.sa.gov.au/~lclga/application/files/7315/7128/6841/LCLGA_Annual_Report_Financial_Statements_2018-19_-_FINAL.pdf)

## LCLGA BOARD MEMBERS 2018-19

COUNCIL	DELEGATE	DEPUTY BOARD MEMBERS
District Council of Grant	Mayor Richard Sage	Cr Gillian Clayfield
Kingston District Council	Mayor Reg Lyons (until November 2018) Mayor Kay Rasheed	Cr Jodie Gluyas Cr Chris England
City of Mount Gambier	Mayor Andrew Lee (until November 2018) Mayor Lynette Martin (OAM)	Deputy Mayor Sonia Mezinec
Naracoorte Lucindale Council	Mayor Erika Vickery (OAM)	Cr Scott McLachlan Cr Craig McGuire
District Council of Robe	Mayor Peter Riseley (until November 2018) Mayor Alison Nunan	Cr Peter Riseley
Tatiara District Council	Mayor Graham Excell	Cr David Edwards Cr Robert Mock
Wattle Range Council	Mayor Peter Gandolfi (until November 2018) Mayor Des Noll	Deputy Mayor Glen Brown Cr Dale Price

## DELEGATES TO THE LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA

COUNCIL	LC LGA REPRESENTATIVE
LGA Board	Mayor Erika Vickery
SAROC	Mayor Erika Vickery LCLGA EO Mayor Richard Sage

SAROC is an important LGA committee for non-metropolitan Councils. Membership is drawn from each of the six non-metropolitan Regional Local Government Associations with members meeting bi-monthly to discuss the key issues affecting non-metropolitan Councils.

During 2018-2019, LCLGA engaged the following staff to deliver regional programs.

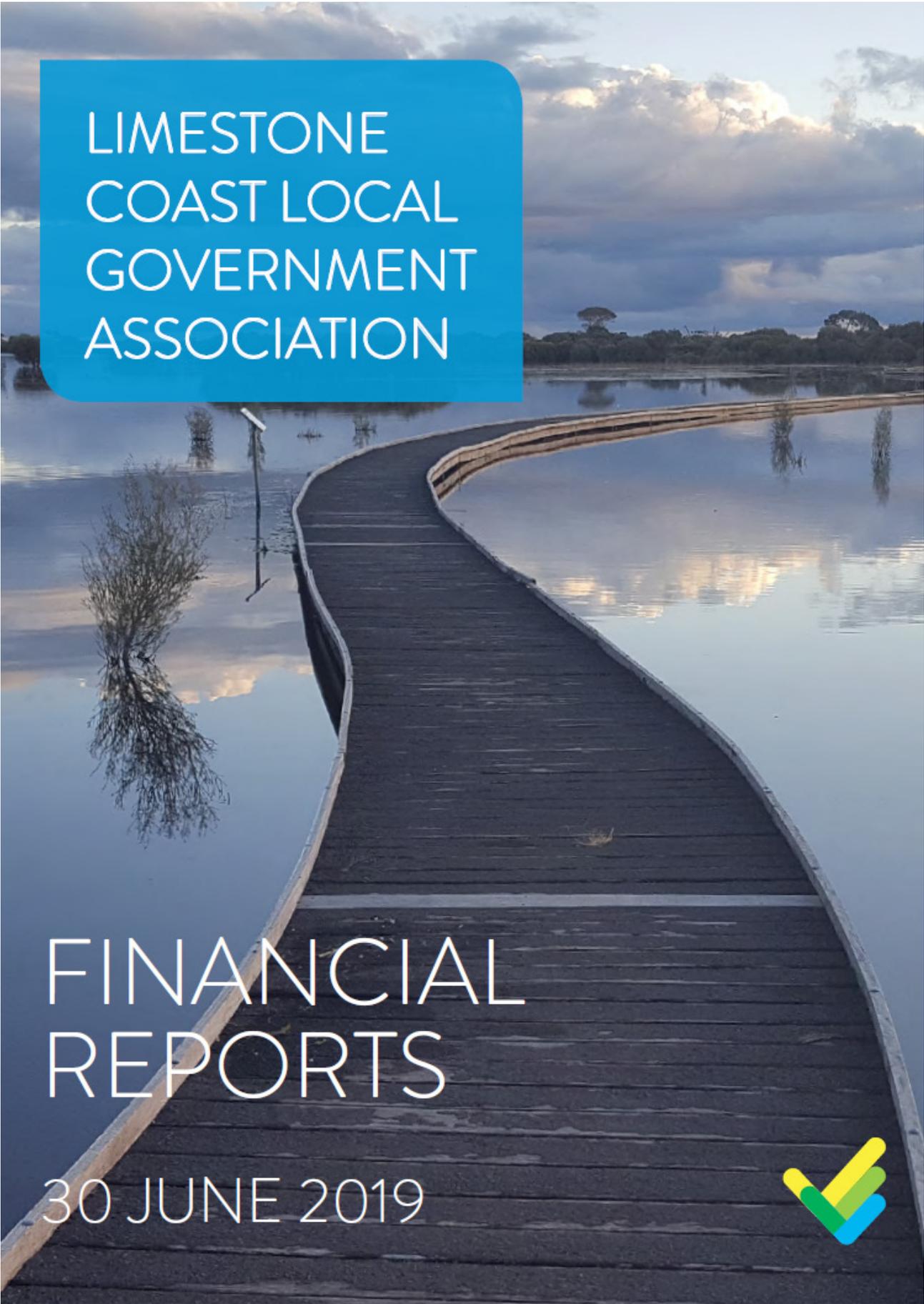
STAFF MEMBER	REGIONAL PROGRAM
Tony Wright (commenced 3 June 2019)	Executive Officer
Dominic Testoni (until 15 January 2019)	Executive Officer
Biddie Shearing (15 January - 3 June 2019)	Interim Executive Officer
Michaela Bell	Project Manager
Tony Elletson	STARCLUB Field Officer - Limestone Coast Regional Sporting Academy Co-Ordinator
Biddie Shearing	Tourism Development Manager
Rob Forgan (until 31 August 2018)	Regional Community Road Safety Officer
Ali Auld (commenced 10 December 2018)	Special Projects (Road Safety Officer & Leadership)
Prae Wongthong (until November 2018)	Regional Waste Management Co-Ordinator
June Saruwaka (commenced 26 November 2018 returned from Maternity Leave)	
Prae Wongthong	Climate Adaption Project Officer
Mae Steele	Executive Support Officer
Nicole Moran	Sports Trainee

City of  
Mount Gambier



District Council of  
**ROBE**  
Proclaimed in 1869





LIMESTONE  
COAST LOCAL  
GOVERNMENT  
ASSOCIATION

FINANCIAL  
REPORTS

30 JUNE 2019



**Limestone Coast Local Government Association**

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Limestone Coast Local Government Association

STATEMENT OF COMPREHENSIVE INCOME  
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
Local Government Council Contributions	2	642,404	680,629
Other Contributions	2	498,859	422,510
Other Income	2	119,141	(61,102)
Project Income	2	130,069	291,200
Unbudgeted Project Income	2	7,063	86,000
<b>Total Income</b>		<b>1,397,536</b>	<b>1,419,237</b>
<b>Expenses</b>			
Operating Expenses	3	(284,088)	(231,237)
Salaries and Wages	4	(578,040)	(554,842)
Project Expenditure	5	(510,764)	(650,180)
Unbudgeted Project Expenditure	5a	(54,459)	(47,136)
<b>Total Expenses</b>		<b>(1,427,351)</b>	<b>(1,483,395)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(29,815)</b>	<b>(64,158)</b>
<b>Other Comprehensive Income</b>			
Transfer to accumulated surplus of prior year unspent project funds	1(l), 2	460,021	-
<b>Total Other Comprehensive Income</b>		<b>460,021</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>430,206</b>	<b>(64,158)</b>

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	869,155	891,218
Trade and other receivables	7	109,323	47,608
<b>Total Current Assets</b>		<u>978,478</u>	<u>938,826</u>
<b>Total Assets</b>		<u>978,478</u>	<u>938,826</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	65,047	24,605
Staff Benefits	9	41,632	31,047
Other Liabilities	10	97,455	553,892
<b>Total Current Liabilities</b>		<u>204,134</u>	<u>609,544</u>
<b>Non Current Liabilities</b>			
Staff Benefits	9	14,856	-
<b>Total Current Liabilities</b>		<u>14,856</u>	<u>-</u>
<b>Total Liabilities</b>		<u>218,990</u>	<u>609,544</u>
<b>Net Assets</b>		<u>759,488</u>	<u>329,282</u>
<b>Member's Funds</b>			
Accumulated surplus		759,488	329,282
<b>Total Members Funds</b>		<u>759,488</u>	<u>329,282</u>

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus \$
<b>2019</b>	
Balance at the beginning of the year	329,282
Surplus for the year	(29,815)
Other Comprehensive Income	460,021
Balance at the end of year	<u>759,488</u>
<b>2018</b>	
Balance at the beginning of the year	393,440
Surplus for the year	(64,158)
Balance at the end of year	<u>329,282</u>

*The accompanying Notes form part of these financial statements*

Limestone Coast Local Government Association

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash from operating activities</b>			
Receipts from members		642,404	680,642
Other receipts		725,544	738,608
Payments to suppliers		(1,390,011)	(1,392,063)
<b>Net cash provided from operating activities</b>	<b>11</b>	<b>(22,063)</b>	<b>27,187</b>
<b>Net increase in cash held</b>		<b>(22,063)</b>	<b>27,187</b>
Cash at beginning of financial year		891,218	864,031
<b>Cash at end of financial year</b>	<b>6</b>	<b>869,155</b>	<b>891,218</b>

*The accompanying Notes form part of these financial statements*

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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

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

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

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

**(a) Comparatives**

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

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(c) Income taxes**

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

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

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

**(e) Leases**

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.

**(f) Impairment of assets**

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

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

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

**Note 1: Statement of Significant Accounting Policies (cont)**

**(f) Impairment of assets (cont.)**

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

**(g) Revenue**

Prior Year Policy:

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

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

Current Policy:

Amounts received in relation to contracts with sufficiently specific performance obligations are only recognised as the obligations are fulfilled.

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

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

**(h) Trade and other payables**

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

**(i) Trade and other receivables**

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

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

**(j) 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.

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Statement of Significant Accounting Policies (cont)

**(j) Salaries, Wages & Compensated Absences (cont.)**

No accrual is made for sick leave as 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. Council does not make payment for untaken sick leave. Sick leave shall be portable from Council to Council. A local government employee shall be entitled to carry sick leave credits from the previous employing Council (or Councils) to the present Council provided the service is continuous as defined by the Local Government Act 1934 but such credits shall not be available until sick leave credits accrued at the employee's employing Council have been exhausted. The employing Council may recover from previous employing Councils a contribution towards the cost of sick leave granted in accordance with this contribution towards the cost of sick leave granted in accordance with this subclause.

**(k) Critical Accounting Estimates and Judgments**

Key estimates

(i) Impairment - general

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

**(l) New and Amended Accounting Policies Adopted**

The association have elected to early adopt AASB 1058 (Income of Not for Profit Entities) and AASB 15 (Revenue from Contracts with Customers) effective 30 June 2019 utilising the cumulative effect method. The cumulative effect of transition is shown as an adjustment to retained earnings at the date of initial application and no adjustments are made to comparative figures

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, a preliminary assessment has been made by the association and it is anticipated that the association has no leases to which this treatment will need to be applied.

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 2: Revenue	2019	2018
	\$	\$
<b>Local Government Contributions</b>		
City of Mount Gambier	180,098	190,243
District Council of Grant	78,125	83,063
Wattle Range Council	134,442	142,573
Naracoorte Lucindale Council	90,027	95,581
District Council of Robe	43,453	45,644
District Council of Tatiara	75,842	80,631
District Council of Kingston	40,417	42,894
<b>Total</b>	<b>642,404</b>	<b>680,629</b>
<b>Other Contributions</b>		
South Australian Tourism Commission	49,013	89,747
Local Government Association	248,846	154,777
Regional Development Australia	30,000	37,986
Starclub Funding	106,000	75,000
Road Safety Funding (Motor Accident Commission)	65,000	65,000
<b>Total</b>	<b>498,859</b>	<b>422,510</b>
<b>Other Income</b>		
Interest Revenue	15,891	22,483
Funds Carried Forward	37,252	(90,085)
Sundry Income	65,998	6,500
<b>Total</b>	<b>119,141</b>	<b>(61,102)</b>
<b>Project Income</b>		
Department of Environment and Water	58,910	68,000
Federal Grants	6,750	223,200
Sports Academy Contribution	13,182	-
Participant Fees (Limestone Coast Leadership Program)	24,091	-
SA Coastal Councils Alliance	9,000	-
Building Better Regions Fund	18,136	-
<b>Total</b>	<b>130,069</b>	<b>291,200</b>
<b>Unbudgeted Project Income</b>		
Uni South Australia	-	6,000
NDRP Funding LiDAR Mapping	-	45,000
RD Limestone Coast	-	30,000
SATC Signage	-	5,000
Green Industries SA	2,063	-
SA Fire & Emergency Services Commission	5,000	-
<b>Total</b>	<b>7,063</b>	<b>86,000</b>
<b>Other Comprehensive Income</b>		
Funds Carried Forward	173,376	-
Project Liability Income	286,645	-
<b>Total</b>	<b>460,021</b>	<b>-</b>
<b>Total Income</b>	<b>1,857,557</b>	<b>1,419,237</b>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 3: Other Operating Expenses	2019	2018
	\$	\$
Advertising	15,656	5,028
Audit fees	2,900	2,807
Bank Charges	498	1,204
Chairperson's Allowance	2,895	8,000
Computing	12,538	8,597
Consultancy	20,352	-
Governance	16,005	8,161
Insurance	7,685	13,502
Legal Fees	-	407
Minor Equipment	7,403	11,085
Motor Vehicle	53,690	53,740
Office Expenses	22,583	19,852
Rent	25,227	27,412
Seminars	5,118	3,160
Trade Shows	42,082	29,427
Training	6,928	5,491
Travel and Accommodation	42,528	33,364
<b>Total</b>	<b>284,088</b>	<b>231,237</b>

Note 4: Salaries and Wages

Salaries and Wages	500,833	495,946
Superannuation	46,957	46,221
Oncosts	4,809	6,434
Leave provision movement	25,441	6,241
<b>Total</b>	<b>578,040</b>	<b>554,842</b>

Note 5: Project Expenditure

Coastal Alliance	37,663	-
Leadership Program	81,255	-
Drug Action	-	40,000
Coastwatchers	-	217,200
Heritage Advisor	62,870	62,870
RDA Limestone Coast	90,781	88,740
Brand Development	9,325	15,600
Regional Growth Plan	6,050	81,086
Planning Reform	13,546	7,431
Climate Project	122,162	60,207
Sports Academy	46,996	29,681
Road Safety	1,307	7,965
Star Club	-	7,750
Tourism	13,871	23,773
Waste	24,938	7,877
<b>Total</b>	<b>510,764</b>	<b>650,180</b>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 5a: Unbudgeted Project Expenditure	2019	2018
	\$	\$
Substance Misuse	40,000	-
Waste	14,459	-
Rating Equity State Project	-	600
Special Local Roads Program	-	6,536
Mixed Dozen	-	5,000
Regional Infrastructure Audit	-	5,000
Red Meat Cluster	-	30,000
<b>Total</b>	<b>54,459</b>	<b>47,136</b>

Note 6: Cash and cash equivalents

Petty Cash	500	250
Cash at bank	176,856	212,738
Term Deposit	691,799	678,230
<b>Total</b>	<b>869,155</b>	<b>891,218</b>

Note 7: Trade and other receivables

Trade and Other Receivables	109,323	47,608
<b>Total</b>	<b>109,323</b>	<b>47,608</b>

Note 8: Trade and other Payables

Trade and other payables	43,233	44,313
Accrued Expenses	12,979	-
GST Payable	(1,698)	(30,798)
PAYG Payable	10,533	11,090
<b>Total</b>	<b>65,047</b>	<b>24,605</b>

Note 9: Staff Benefits

Current:		
Annual Leave Provision	41,632	31,047
	<b>41,632</b>	<b>31,047</b>
Non Current:		
Long Service Leave Provision	14,856	-
	<b>14,856</b>	<b>-</b>
<b>Total</b>	<b>56,488</b>	<b>31,047</b>

**Limestone Coast Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 10: Unspent Project Funds**

The unexpended funds reserve represent funds set aside for the future use on projects manage by the association

	<b>2019</b>	<b>2018</b>
<b>Star Club Field Officer</b>	<b>\$</b>	<b>\$</b>
Balance brought forward	<b>38,453</b>	42,453
Expenses/Transfer	<b>(38,453)</b>	(4,000)
Project funds not expended at year end	<u>-</u>	<u>38,453</u>
 <b>Regional Waste Management</b>		
Balance brought forward	<b>27,186</b>	50,124
Funding Contributions	-	2,062
Expenses/Transfer	<b>(27,186)</b>	(25,000)
Project funds not expended at year end	<u>-</u>	<u>27,186</u>
 <b>Planning</b>		
Balance brought forward	<b>57,204</b>	65,004
Expenses/Transfer	<b>(57,204)</b>	(7,800)
Project funds not expended at year end	<u>-</u>	<u>57,204</u>
 <b>Tourism</b>		
Balance brought forward	<b>151,851</b>	182,080
Project Contribution (South Australian Tourism Commission)	<b>20,000</b>	-
Expenses/Transfer	<b>(151,851)</b>	(30,229)
Project funds not expended at year end	<u>20,000</u>	<u>151,851</u>
 <b>Procurement</b>		
Balance brought forward	<b>10,000</b>	7,000
Project Contribtuion	-	3,000
Expenses/Transfer	<b>(10,000)</b>	-
Project funds not expended at year end	<u>-</u>	<u>10,000</u>
 <b>Training</b>		
Balance brought forward	-	3,000
Expenses/Transfer	-	(3,000)
Project funds not expended at year end	<u>-</u>	<u>-</u>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 10: Unspent Project Funds (cont)

	2019	2018
<b>Attraction &amp; Retention</b>	\$	\$
Balance brought forward	-	25,000
Expenses/Transfer	-	(25,000)
Project funds not expended at year end	<u>-</u>	<u>-</u>
<b>Rubble Royalty</b>		
Balance brought forward	102,310	45,894
Project Contribution	81,053	101,416
Expenses/Transfer	(183,363)	(45,000)
Project funds not expended at year end	<u>-</u>	<u>102,310</u>
<b>Climate Change Project</b>		
Balance Brought forward	115,112	100,986
Project Contribution	-	115,111
Expenses/Transfer	(115,112)	(100,985)
Project funds not expended at year end	<u>-</u>	<u>115,112</u>
<b>Limestone Coast Collaborative</b>		
Balance Brought forward	-	5,000
Expenses/Transfer	-	(5,000)
Project funds not expended at year end	<u>-</u>	<u>-</u>
<b>Limestone Coast Sports Academy</b>		
Balance brought forward	16,319	-
Project Contribution	35,692	16,319
Expenses	(52,011)	-
Project funds not expended at year end	<u>-</u>	<u>16,319</u>
<b>Regional Signage Partnership</b>		
Balance brought forward	10,457	-
Project Contribution	-	10,457
Expenses/Transfer	(10,457)	-
Project funds not expended at year end	<u>-</u>	<u>10,457</u>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 10: Unspent Project Funds (cont)

	2019	2018
<b>Waste Infrastructure Plan</b>	\$	\$
Balance brought forward	25,000	-
Project Contribution	-	25,000
Expenses/Transfer	<u>(25,000)</u>	<u>-</u>
Project funds not expended at year end	-	25,000
<b>Limestone Coast Leadership</b>		
Project Contribution	<u>13,000</u>	<u>-</u>
Project funds not expended at year end	13,000	-
<b>ADFlcohol &amp; Drug Foundation</b>		
Project Contribution	<u>9,925</u>	<u>-</u>
Project funds not expended at year end	9,925	-
<b>Regional Coastal Alliance</b>		
Project Contribution	<u>54,530</u>	<u>-</u>
Project funds not expended at year end	54,530	-
<b>Total unspent funds reserves</b>	<u>97,455</u>	<u>553,892</u>

Note 11: Reconciliation of cash flow from operations with surplus for year

Net surplus for the year	430,206	(64,158)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(61,715)	65,583
Increase/(decrease) in trade and other payables	40,999	(7,843)
Increase/(decrease) in staff benefits	25,441	6,241
Increase/(decrease) in other liabilities	<u>(456,994)</u>	<u>27,364</u>
	<u>(22,063)</u>	<u>27,187</u>

**Limestone Coast Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 12: Financial Instruments**

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

**Categorisation of Financial Instruments**

	Note	2019		2018	
		Due < 1 Year	Due > 1 Year	Due < 1 Year	Due > 1 Year
<b>Financial Liabilities</b>		\$	\$	\$	\$
Trade and other Payables	8	43,233	-	44,313	-
<b>Total Financial liabilities</b>		<b>43,233</b>	<b>-</b>	<b>44,313</b>	<b>-</b>
<b>Financial Assets</b>					
Cash and cash equivalents	6	691,799	-	678,230	-
<b>Total Financial Assets</b>		<b>691,799</b>	<b>-</b>	<b>678,230</b>	<b>-</b>

Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables.

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

**i. Credit Risk**

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

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

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

**ii. Liquidity Risk**

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

No assets have been pledged as security for any liabilities.

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

Note 12: Financial Instruments (cont)

iii. **Market Risk**

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

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

	2019		2018	
	% Weighted Average Interest rate	Carrying Value	% Weighted Average Interest rate	Carrying Value
<b>Financial liability:</b>	\$	\$	\$	\$
Trade and other Payables	0.0%	43,233	0%	44,313
<b>Financial Assets</b>				
Term Deposit	2.3%	691,799	2.5%	678,230

Note 13: Contingent Liabilities and Contingent Assets

At 30 June 2019, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

**Limestone Coast Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 14: Capital Commitments**

At 30 June 2019, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

**Note 15: Events after the end of the reporting period**

Since the reporting date, there have been no events that would materially impact on the contents of this report.

**Note 16: Economic Dependence**

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

**Note 17: Capital Management**

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

**Limestone Coast Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 18: Related Party Transactions**

The total remuneration paid to key management personnel of Limestone Coast Local Government Association Incorporated during the year was as follows;

	<b>2019</b>
	<b>\$</b>
Short term employee benefits incl. Allowan	110,512
Post employment benefits	10,223

Key management personnel above includes the executive and Board of Management.

The specific banding of key management personnel and Board of management from the Limestone Coast Local Government Association Incorporated during the year was as follows;

\$	<b>2019</b>	<b>2018</b>
under \$50,000	1	1
\$50,000 to \$100,000	0	0
\$100,000 to \$150,000	1	1

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

**Note 19: Association Details**

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

Limestone Coast Local Government Association  
Level 1, 9 Bay Road  
Mount Gambier SA 5290

**Limestone Coast Local Government Association**

**STATEMENT BY MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2019**

In the opinion of the committee, the Financial Statements comprising of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Limestone Coast Local Government Association as at 30 June 2019 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Limestone Coast Local Government Association will be able to pay its debts as and when they fall due.

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

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



**Mayor Erika Vickery**  
President  
Date: 14.10.19



**Tony Wright**  
Executive Officer  
Date: 15.10.19

**Limestone Coast Local Government Association**

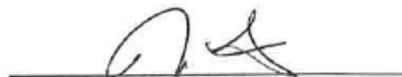
**STATEMENT BY MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2019**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

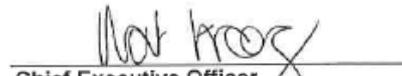
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Limestone Coast Local Government Association for the year ended 30 June 2019, the Association's Auditor, Tim Muhlhausler has maintained his independence in accordance with the requirements of the Local Government 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.

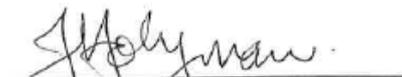
  
\_\_\_\_\_  
**President**  
**LC Local Government Association**

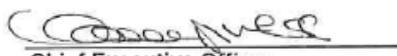
  
\_\_\_\_\_  
**Chief Executive Officer**  
**District Council of Grant**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**City of Mount Gambier**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**Kingston District Council**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**Naracoorte Lucindale Council**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**District Council of Robe**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**Tatiara District Council**

  
\_\_\_\_\_  
**Chief Executive Officer**  
**Wattle Range Council**

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



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## INDEPENDENT AUDITOR'S REPORT

### To the members of the Limestone Coast Local Government Association

#### Opinion

We have audited the accompanying financial report of the Limestone Coast Local Government Association, 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 statement by the Executive Officer and the Chairperson.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Association as at 30 June 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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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.

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

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

In preparing the financial report, Association is responsible for assessing the Association'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 Association either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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

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

As part of an audit 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 Association'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 Association'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 Association'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 Association 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

15/10/2019

