



ANNUAL REPORT

2020 / 2021



Hornsedale Wind Farm

Our vision is a region of safe, sustainable and inclusive communities. A Community proud of its heritage and encouraged by a promising future. A place to enjoy a rural lifestyle, where business is encouraged to grow and visitors are welcomed.



Jamestown Industrial Area



**NORTHERN AREAS
COUNCIL**

Acknowledgment of Country

The Northern Areas Council would like to acknowledge the Ngadjuri and Nukunu people the traditional owners of the land and pay our respects to their Elders past and present.



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CHIEF EXECUTIVE OFFICER'S THE YEAR IN BRIEF 2020-2021



Colin Byles - Chief Executive Officer

It is with great pleasure I present the 2020-21 Annual Report for the Northern Areas Council, highlighting the many achievements Council has made during the year.

The COVID 19 pandemic continued to have an effect on the operations of Council during the 2020-21 year with adjustments continuing to the way employees worked, through to how Council meetings were held and operated. Elected Members and staff should be congratulated on the way they handled and adjusted to the restrictions.

Council had a change of leadership in November 2020 with Councillor Ben Browne becoming Mayor and Councillor Merv Robinson becoming Deputy Mayor.

Grant Funding from Federal and State Governments for projects selected by Council continued to be a focus for Council and the community. Community projects such as the upgrade of the Georgetown Memorial Park and the Gulnare Hall window replacement upgrade are projects that the smaller communities would never have been able to achieve without this grant funding.

Council remained focussed on our core functions of providing;

- A good sealed and unsealed road network, with \$592,000 on reseals to the sealed network and \$1,750,000 for re-sheeting to the unsealed network.
- Waste Collection and associated activities (Transfer stations) \$690,000
- Community Waste Management Systems (CWMS) \$420,000

Our 5 Strategic Plan Goals became major emphasis points when developing budgets and projects to ensure Council was providing to the community was in our Strategic Plan. The Strategic Plan Goals are;

- A Thriving Local Economy
- A Desirable Place to Live and Work & Visit
- Strong Communities across our Region
- Quality Infrastructure & Community Assets
- Sustained Financial Stability

Council is in a sound financial position after many years of hard work by previous Councils in setting a Financial Plan that brought Council back from financial unsustainability.

One of the major projects for the year was a Rate Review that changed the basis of rating to a Land Use categories rather than rating by location. The aim of the Rate Review was to achieve a fairer rate equalisation that helped the lower income ratepayers.

Due to staff shortages and the lack of contractor availability a large number of the Capital projects are carried forward to 21-22, we hope to avoid this in 21-22 and complete our very full Capital Program.

I would like to thank Elected Members, staff, community members and volunteers for their efforts and contributions throughout the past year and look forward to 2021-22.

COUNCIL PROFILE

The Northern Areas Council is situated in the heartland of the Southern Flinders Ranges, approximately 200 kilometres north of Adelaide and within the traditional lands of the Ngadjuri and Nukunu Aboriginal people. The Council area is divided into four Wards: Belalie (4 Elected Members), Rocky River (3 Elected Members), Yackamoorundie (1 Elected Member) and Broughton (1 Elected Member). The Council covers an area of 3070km², and has a total of 2,330km of roads of which 133km are sealed.

Council's towns and communities were developed during the prosperous times of traditional cereal and grazing practices complemented by forestry operations and in more recent years, tourism, events and wind energy infrastructure. Jamestown is the main service centre for the district with additional services offered at Gladstone, Laura and Spalding providing for the smaller communities of Caltowie, Georgetown, Gulnare, Stone Hut, Tarcowie and Yacka. Council's close network of towns offers a range of opportunities for shopping, recreation, employment, health and education. Together, Council and the community have built and maintained infrastructure such as recreation facilities and town halls to support the activities of local communities as well as generating interest and income from visitors and tourists.

The Council area hosts a number of significant events, including Jamestown Fly-In and Air Spectacular, Laura Fair, Jamestown Show and Jamestown Races as well as a number of local community events.

Cycle infrastructure has increased in recent times offering residents and visitors the opportunity to use recreational and mountain biking trails, improving visitor numbers as well as providing options for healthy lifestyles.



COUNCIL PROFILE CONTINUED



The economy remains firmly based in broad acre farming, with the Jamestown Saleyards one of the few remaining regional livestock sales facilities. Recent windfarm development has made a strong contribution to the economy and has brought new families into the district. The roll-out of high speed broadband through the Mid North will make the district more attractive to telecommuters and expand opportunities for health and education within the region.

CONTACT DETAILS AND OFFICE HOURS

Principal Office:

94 Ayr Street, JAMESTOWN SA 5491
Monday to Friday 9am – 5pm
Telephone 8664 1139
Fax 8664 1085
Email: admin@nacouncil.sa.gov.au
Webpage: www.nacouncil.sa.gov.au



Branch Offices:

14 Fifth Street
GLADSTONE SA 5473
Monday to Friday, 9am-5pm
Telephone: 8662 2018



Main Street
SPALDING SA 5454
Tuesdays 10 am – 2.30 pm
Thursdays 9am-5pm
Telephone: 8845 2017



COUNCIL PROFILE CONTINUED

Total Population	4625
Total Area	3070km²
Number of Rateable Properties	4235
Total Road Network	2203 km
Number of Electors	3380
Total Number of Elected Members (including Mayor)	9
Number of Staff – FTE	48
State Electorate	Stuart, Frome
Federal Electorate	Grey



STRATEGIC STATEMENT

The Council’s Strategic Plan was reviewed over a period of time in 2019 with the adoption of the new Strategic Plan in September 2019.

The new Strategic Plan covers the period 2020 to 2027 (a seven year period) that Council believe represents both where we are as a Council and Community in 2020, and where we want to be by 2027.

This vision and indeed the entire plan recognises the inherent qualities that define the region in which we live, as well as what is important to our community; country lifestyle; friendly and welcoming people; well maintained and safe towns; and the importance of our well-established agricultural industry along with other developing industries as well as our local businesses.

In developing this plan, the Council has applied both care for the retention of these qualities, as well as forethought about opportunities and improvement.

Our considerations have been informed by the community voice which we have listened to through a community survey, community consultation forums and through comments on a draft of the plan made available for public comment before being finalised by Council. We will provide further opportunities for review and consultation throughout its lifetime.

The Council Vision 2027 is;

“Our Vision is a region of safe, sustainable and inclusive communities. A Community proud of its heritage and encouraged by a promising future. A place to enjoy a rural lifestyle, where business is encouraged to grow and visitors welcomed.”

The plan is a statement of the journey that Council will undertake to deliver upon our vision, starting with 5 goals which reflect the priorities for our Council over the coming 7 years.

Our five (5) goals are:

Goal	Strategy
1 A Thriving Local Economy	Encourage Investment in Local Business & Industry
	Support Local Business to Drive Local Employment Opportunities
2 A Desirable Place to Live or Visit	Support Safe, Sustainable & Inclusive Communities Across the Region
	Retain Essential Services in the Region
	Be an Attractive Stop or Short –Stay Destination for Tourists and Visitors
3 Stronger Communities Across our Region	Secure Sustainable Provision and Enhancement of Services to Community
	Support Capacity Building of Community Groups
4 Effective Infrastructure & Community Assets	Enhanced Local & Regional Road Network
	Effective Management of Community Assets
5 Sustained Financial Stability	Maintain Council’s Financial Sustainability
	Pursue Productivity Improvements & Cost Reduction Initiatives

STRATEGIC STATEMENT CONTINUED

As we pursue our vision, as the Northern Areas Council we will:

- Foster a sense of community pride and inclusion for all of our community.
- Maintain and improve our infrastructure including roads, footpaths and presentation of out townships.
- Provide quality services across all of our community.
- Advocate for the protection of the environment and heritage.
- Implement initiatives for the responsible use of resources.
- Advocate for economic development across the region, to achieve sustainable towns and services and enhance employment opportunities.
- Demonstrate sound leadership and work with our community to meet their expectations whilst operating in a financially responsible manner.

This plan is the centrepiece of Council's suite of strategic management documents which includes Council's;

- Annual Business Plan
- Annual Budgets
- Long Term Financial Plan
- Asset Management Plans.

This plan will be regularly reviewed to ensure it remains relevant to the Northern Areas community and region.



ELECTED MEMBER INFORMATION

Back Row (L-R) Cr. Leon Pollard, Cr. Ian Pomerence, Cr. Merv Robinson (Deputy Mayor - from Nov 2020), Cr. Ben Browne (Mayor - from Nov 2020)

Front Row (L-R) Cr. Glan Moore, Cr. Sue Scarman (Deputy Mayor – till Nov 2020), Cr. Denis Clark (Mayor – till Nov 2020), Cr. Kathy Webb, Cr. Denise Higgins



The Local Government (Elections) Act 1999 requires that elections will be held at intervals of four years, with the last election occurring in November 2018. The next scheduled election will be in November 2022.

The Northern Areas Council community is represented by nine members.

Northern Areas Council comprises four wards:

- Belalie
- Rocky River
- Yackamoorundie
- Broughton

ELECTED MEMBER INFORMATION CONTINUED

Meeting Times

Ordinary Meetings of the Northern Areas Council are held on the third Tuesday of each month commencing at 9.00am.

Council Meetings are open to the public and Council encourages people to attend.

Members of the public can write to Council on any relevant issue or topic. To be included in the Agenda for any Council Meeting, items need to be submitted at least 10 days prior to the respective Council Meeting to ensure inclusion on the Agenda for distribution to Elected Members prior to the meeting.

Agendas and Minutes of all meetings are available for inspection at the Council's Administration Offices located at Jamestown, Gladstone and Spalding. These documents are also available on Council's website at www.nacouncil.sa.gov.au.

With the permission of the Mayor, any member of the public can address Council personally, or as a representative of any group or Committee, to discuss relevant issues.

Public Question Time is now a part of the normal Council Meeting agenda which allows questions in writing or taken from the gallery. Questions and responses are then recorded in the Council Minutes.

Written petitions covering issues within Council's jurisdiction can be addressed to the Council.

Council Members Attendance

ELECTED MEMBERS JULY 2020 – JUNE 2021	Number Ordinary Meetings	Number Ordinary Meetings Attended	Number Special Meetings	Number Special Meetings Attended
Cr. Denis Clark (Mayor Till Nov 20)	12	12	10	10
Cr. Sue Scarman (Deputy Mayor Till Nov 20)	12	12	10	10
Cr. Ben Browne (Mayor from Nov 20)	12	12	10	9
Cr. Glan Moore	12	10	10	10
Cr. Merv Robinson (Deputy Mayor from Nov 20)	12	12	10	9
Cr. Kathy Webb	12	9	10	9
Cr. Denise Higgins	12	12	10	8
Cr. Leon Pollard	12	11	10	10
Cr. Ian Pomeranke	12	12	10	9

Council Allowances

The allowances after the November 2018 Election were determined by the South Australian Remuneration Tribunal in accordance with the Local Government Act. The Northern Areas Council is in Group 4. The below table has been updated for annual CPI movement as at November 2020.

ELECTED MEMBER INFORMATION CONTINUED

Council Members Allowances (per annum)	
Mayor	\$41,504
Deputy Mayor	\$12,970
Council Members	\$10,376

An additional allowance in the form of a sitting fee is payable to a Councillor who is a presiding members of a committee (Section 41) of \$110 per meeting limited to an aggregate amount of allowance of \$660 per annum.

A travel allowance for ‘eligible journeys’ (as defined in Regulation 3 of the Local Government Members Allowances and Benefits) Regulations 1999 at the rate per kilometre prescribed in Section 82KX (1) (a) of the Income Tax Assessment act 1936 is available.

An allowance is paid to Council Members, excluding Principal Members, whose usual place of residence is within the relevant Council area and is located at certain distances from the Council’s principal office as follows:

Allowances	
At least 30kms but less than 50 km	\$410 per annum
At least 50km but less than 75 km	\$700 per annum
75 100 km	\$1490 per annum

Council resolved that its Allowances be paid quarterly in arrears.

Elected Member Training/Conferences

The Northern Areas 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. Council adopted this Policy in 2006, and it was reviewed in June 2018.

Elected Members have attended the following during the year:

- LGA Conference and General Meeting
- Leadership Seminar
- Council Members Forum

Elector Representation

An Elector Representation Review was commenced in June 2016 and the review was concluded in February 2017. The report has now been approved by the Electoral Commissioner.

The Review outcome was as follows:

- Council will continue to have wards. There will be four wards. Two of the wards have changed names
 Jamestown → Belalie
 Spalding → Broughton
- The total number of electors will be nine, as listed below:
 1. Belalie Ward: 4 Elected Members
 2. Broughton Ward: 1 Elected Member
 3. Rocky River Ward: 3 Elected Members
 4. Yackamoorundie Ward: 1 Elected Member
- A Mayor will be elected from within the nine Elected Members elected by the voters.

ELECTED MEMBER INFORMATION CONTINUED

Current Representation

According to the House of Assembly Roll and the Supplementary Voters Roll, as maintained by Council, there were 3399 persons eligible to vote in Local Government elections in the Northern Areas Council. Electors - 3399 – No of Wards 4 – Quota per Member – 377.

The Northern Areas Council ward quota of 377 is comparable to Councils in South Australia of a similar size.

Name	Number Of Electors	Number of Elected Members	Representation Quota
Coorong	3741	9	416
Kangaroo Island	3449	10	345
Goyder	2981	7	426
Yankalilla	4244	9	472

Council Appointed Delegates to Organisation and Committees

Local Government Bodies	
Local Government Association	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Local Government Finance Authority of SA	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Regionally Appointed Delegates	
Northern Passenger Transport Network	➤ Cr. Pollard
Section 43 Regional Subsidiaries	
LEGATUS	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Section 41 Committees	
CEO Performance Management Panel	➤ Full Council
Ewart Oval Management Committee	<ul style="list-style-type: none"> ➤ Cr. Webb ➤ Cr. Higgins (Proxy)
Flinders Mobile Library	<ul style="list-style-type: none"> ➤ Cr. Higgins ➤ Geoff Lange (Community Representative) ➤ Manager Community Development
Gladstone Swimming Pool Management Committee	➤ Cr. Webb
Jamestown Regional Hydrotherapy Pool Committee	➤ Cr. Moore
Northern Areas Council Audit Committee	<ul style="list-style-type: none"> ➤ Ian Swan (Chair) – Independent Member ➤ Jim Barrett - Independent Member ➤ Mayor ➤ Cr. Pollard ➤ Cr. Clark

ELECTED MEMBER INFORMATION CONTINUED

Southern Flinders Regional Sports Complex Management Committee (established August 2011)	➤ Cr. Webb
Stone Hut Soldiers Memorial Hall Committee	➤ Cr. Higgins
CFS	
Bundaleer CFS Group	➤ Cr Browne
Hallett CFS Group	➤ Cr. Robinson
Community Based Organisations	
AGL Hallett Wind Farm Community Fund Panel	➤ Cr. Moore ➤ Manager Community Development
Gladstone Community Development & Tourism Association Inc.	➤ Cr. Webb
Georgetown Community Development Association Inc.	➤ Cr. Pomeranke
Jamestown Community Library	➤ Manager Community Development
Jamestown Development Association Inc.	➤ Cr. Moore ➤ Cr. Robinson ➤ Cr. Pollard (Proxy)
Laura Community Development & Tourism Association Inc.	➤ Cr. Scarman
Spalding District Inc.	➤ Cr Browne
Victoria Park Jamestown Management Committee	➤ Cr. Moore
Yacka Community Development Board	➤ Cr. Browne / Cr. Pomeranke
Spalding Swimming Pool Management Committee	➤ Cr. Browne
Jamestown Swimming Pool Management Committee	➤ Cr. Pollard
Laura Civic Centre Management Committee	➤ Cr. Scarman
Stone Hut Development Committee	➤ Cr. Higgins
Narridy Community Development Board	➤ Cr. Pomeranke
Gulnare Development Board	➤ Cr. Pomeranke
Rocky River Bus Committee	➤ Cr. Scarman
Neoen Wind Farm Community Fund Panel	➤ Cr. Moore
Council Community Fund Panel	➤ All Councillors

AUSTRALIA DAY AWARDS 2021

Northern Areas Council Citizen of the Year 2021 – Paul Thomas, Gulnare

Paul is a quiet achiever, willingly giving to his community.

Paul's volunteering began from his early teens and has continued throughout his life to provide essential emergency services to the community. He has contributed through various fundraising functions for improved facilities in the community; Gulnare Bowling Club, Gulnare Tennis Club, Gulnare Hall and History Group and Gulnare CFS.

Paul was the Inaugural President of the Gulnare Cropping Committee from 1980 and a delegate since the Incorporation of the Community Development Board (CDB) and provided voluntary services with plant and machinery, for the yearly cropping of the Parklands, cartage of grain or spraying of crops. Funds from the cropping are distributed through the CDB to the community clubs, including the combined football and netball clubs, Bowling Club and Tennis Club.



Paul was bestowed with Life Membership of the Gulnare Bowling Club in 2017/18 season. Paul has appreciated his longstanding position as a Skipper in the Team and has encouraged other members to take on the role of Skipper. In his role as Green's Manager for 16 years, he dedicated hundreds of volunteer hours and travel to maintain the high standard of the Gulnare Bowling Club greens. Paul currently supports the new Greens Manager in an advisory role, as well as volunteering his time to maintain the green.

During Paul's time in the Gulnare CFS he has been a National Farmers Federation volunteers' representative. Paul has been a member of the Gulnare CFS and Gulnare National Farmers Federation since 1970 (50 years) as recorded in the minutes of the CFS. Paul has been presented with a Service medal for 30 years' service, and a National Volunteers Service medal. He continues to volunteer his services as a fire fighter, also with his own fire unit, attending numerous local fires and attending fires in surrounding communities. Paul is currently the Brigade Farm Fire Unit Liaison Officer.

During Paul's time as President of the Gulnare Tennis Club and Captain of the Tennis Team he encouraged his team members, enlisted and supported new members, raised money for new tennis courts, and donated numerous voluntary hours of his time to help in the rebuilding of the courts.

Paul continues to provide volunteering services in the Gulnare community whilst providing emergency services within the wider communities.

Throughout his life, Paul has been, and is still, an active member of many groups and organisations within the community. His lifelong involvement in the CFS has shown his willingness to assist in the fighting of fires, both in close proximity to the township and further afield, helping to keep our local communities safe. His ongoing contributions to the Gulnare Development Board have seen much needed funds raised for the betterment of the community. In a small community, it is often the same people volunteering their time and services to many organisations and groups, to the benefit of their local people. Paul is one of those people that are quick to put their hand up and assist in any situation that his services are required. He never expects anything in return.

AUSTRALIA DAY AWARDS 2021 CONTINUED

Northern Areas Council Young Citizen of the Year 2021 Will Bray - Jamestown



Will Bray is a strong contributor to the Jamestown and District Community, volunteering many hours for several local groups.

He was a committee member for several years with the Ram and Ewe Rural Ball, as well as being a well known member of the local sporting community being an active football, tennis and cricket player in the Jamestown area.

Will has also spent much time at the Jamestown show over the years, with an eager interest in sheep and wool. He has been a regular with his dad Tony with the shearing section, but with his nature he tends to quietly go about helping out and making sure things go along nicely. He certainly fits in nicely with such a well organised group.

He was recognised for his leadership back in 2016 when he was named the Jamestown Show's Young Rural ambassador, which led to him also being named in the same role for South Australia which culminated in an overseas trip to look at different agricultural practices.

He has been recognised for his leadership in other roles, coordinating the Caltowie Tennis team, previously serving as vice captain of the Belalie Mannanarie Cricket Club in Jamestown and has been a strong contributor as a player and volunteer of the Jamestown Peterborough Football and Netball Club.

Northern Areas Council Community Event of the Year – Bundaleer Motorcycle Club.

The club was formed in 2019 for dirt bike and road bike riders wanting to be able to go on organized motorbike rides, helping to get local community members riding.



Holding their 1st and then 2nd successful Family ride days held during August and September 2020. Family ride days were designed for beginner riders 50 cc motorbikes up to Intermediate and seniors, on three separate all terrain tracks. The emphasis of the day was being a family day, where parents can spend the day riding with their children. The first ride day attracted 155 riders (74 under 16 years old and 81 Seniors), with a total crowd of 250+. The second ride day attracted 186 riders (94 under 16 years old and 94 Seniors), with a total crowd of 250 - 300.

In an environment with Covid 19 restrictions and very few community events, the Bundaleer Motorcycle Club has truly offered events that have been overwhelmingly supported, and offered a chance for family's to spend the day together and be involved in a community event.

Also last year the club was involved in the organizing of a road bike ride, (105 riders), with proceeds going to Mental health awareness.

AUSTRALIA DAY AWARDS 2021 CONTINUED

Northern Areas Council Active Citizenship 2021 Greg Boston - Jamestown

For the first time, Council allocated a new award the **Award for Active Citizenship 2021**, which has been awarded to Greg Boston of Jamestown.

The award has been established by the Australia Day Council to acknowledge an individual or group within the community who have delivered outstanding work for an event or cause.

Greg Boston has been recognised for his tireless work in the area of Mental Health Awareness and advocacy through the Mid North Suicide Prevention Network. Greg has worked incredibly hard to help remove stigma in the community about mental health and to let people know that there is help available and that it's ok to ask for assistance.

In the short span of time since the Mid North Suicide Prevention Network was formed, Greg has helped coordinate some highly successful events, which have been strongly supported by the local community. He openly admits there's still a lot of work to be done, but through the leadership which he has shown in the area, he is most certainly a very worthy winner.



CITIZENSHIP CEREMONY

Mayor Ben Browne presided over a Citizenship Ceremony in June 2021 held at the Jamestown Administration Centre for Ms Kaur Balroop, Ms Susan Murray and the Theron Family Mr Benny Theron, Ms Lennette Theron, Ms Amey Theron, Ms Belle Theron & Mr David Theron



*Mayor Browne with the new Australian Citizens
Belle Theron, Amey Theron, David Theron, Benny Theron, Lennette Theron, Mayor Browne, Susan Murray and
Balroop Kaur*

CEO UNIT

Organisational Structure

Council's organisation is headed by Chief Executive Officer and Department Manager's covering Chief Executive Officer Unit, Operational Services, Corporate Services and Community Development.



L - R James Lang (Manager Community Development), Peter Porch (Manager Operational Services – Till December 2020), Colin Byles (Chief Executive Officer), David Rattley (Manager Corporate Services), Alan Thomson (Manager Regulatory Services)



David McKinley (Manager Operational Services) was employed by Council on 31st May 2021.

Council's workforce as at 30 June 2021 consisted of 47 full-time equivalent employees. The head count equated to 62 people being 24 Female and 38 male, none with disability and no Aboriginal or Torres Strait Islander descent.

CEO UNIT CONTINUED

Work Health and Safety

Council's commitment to providing a safe workplace for workers is ongoing and is being proactively supported by the Management Team.



Council through the Work Health and Safety Committee updates workers on WHS matters.

Updates are also provided at Workgroup meetings (including toolbox meetings), emails, noticeboards, Health & Safety Representatives.

Balancing resourcing and areas identified for improvement is always challenging, however this process is continuously improving. The Senior Management Team are constantly striving to increase their commitment to ensuring actions, objectives and target dates in both WHS and scheduled daily work are realistic and achievable.

The recent Work Health and Safety Evaluation has shown an improvement in compliance in essential requirement areas. Over the last 12 months staff have worked to address non-compliance issues and now the results of this work has shown a marked improvement in compliance in these essential areas.

Appropriate Work Health and Safety training is continuing, this year concentrating on Hazard &, Incident Reporting & Investigation, Manual Handling, Risk Management, CAPA Management, Health & Safety Representative and Council's WHS Procedures.

Council has continued with its successful Health Monitoring Program in conjunction with Local Government Worker's Compensation Scheme. Regular health assessments, skin cancer screenings and immunisation programs are offered to all employees.

HUMAN RESOURCES

Human Resources Policies

Section 107 (1) of the Local Government Act states "The Chief Executive Officer must ensure that sound principles of human resource management are applied to employment in the administration of council and must take reasonable steps to ensure that those principles are known to all employees".

Salary Package for Senior Officers

As at 30 June 2021, the Senior Management Team consisted of the Chief Executive Officer and 4 Department Managers. The Senior Management Team were paid remuneration packages in the range of \$100,000 to \$201,000.

These packages included:

- Salary;
- Superannuation;
- Mobile Phone;
- Provision of motor vehicle for private use.

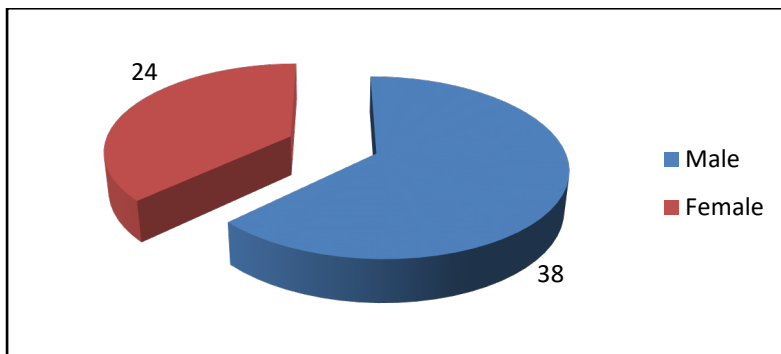


HUMAN RESOURCES CONTINUED

Council employed a total workforce of 62 people which was equivalent to 47 full time employees as at 30 June 2021.

Salaries for the above officers are in accordance with the applicable Award and Council's Enterprise Agreement. Other benefits/conditions of employment include provision of mobile phone and vehicle for business and private use, with all fringe benefits tax expenses paid by Council.

Staff according to Gender



Human Resources

The following documents are key governance measures in managing the human resource function of Council:

- Conduct, Counselling and Discipline Procedure
- Conduct, Counselling and Discipline – Termination Checklist
- Equal Opportunity Policy
- Equal Opportunity Procedure
- Performance Appraisal Policy
- Performance Appraisal Procedure
- Recruitment & Selection Policy
- Recruitment and Selection Procedure
- Training and Development Policy
- Training and Development Procedure

CORPORATE SERVICES

During 2020/21 a range of financial and administrative improvements and efficiencies have continued to be improved or introduced to Councils operations.

Annual Financial Statements

Preparation of The Annual Financial Statements for 2019/20 spanned from July to October 2020.

Section 127 of the Local Government Act, 1999 and Sections 11 & 13 of the Local Government (Financial Management) Regulations, 1999, require the Financial Report be adopted and submitted by Council to prescribed persons and bodies, by the 30th November each year.

Financial statements were prepared using the LG Solutions product. The templates allow general ledger accounts to be mapped and pasted into the template with many fields then automatically populated. The ledger mapping is designed to save time in the future by being carried forward into templates for subsequent years.

Following audit committee review of the statements at the 14th October meeting Council subsequently adopted the audited statements at the October Council meeting on the 20th.

Electronic Rate Notices

In recent years Council introduced a new option for ratepayers to receive notices by email. Council's rate notice printer Forms Express has set up an application called "eNotices". In each quarter's rate notice a flyer was included with instructions on how to register for the email service. By year end take up of the service has continued to grow to 563 assessments or 13% with this expected to keep growing as more people realise the benefits in receiving electronic billing (June 2020 was 478 assessments). Savings in postage of notices will also grow as take up increases.

Creditors

Since April 2020 the majority of Creditors payments were authorised by electronic signatures on PDF invoices. Shifting to an electronic system due to remote staff allowed a change of thinking of how to best undertake the process.

As of late August 2020 this has now transitioned to an electronic system which is fully based in the Synergy software (approx. 50% of SA Councils with Synergy undertake creditors this way with the biggest advantage being audit trails that comply with internal controls). This now allows the creditors process to be spread more evenly during the month with transactions entered on a more regular basis providing flexibility for creditors officers and allowing managers more time to authorise payments directly in Synergy. An added benefit is actual expense data will hit the general ledger accounts much sooner and improve budget tracking processes.

An ongoing part of these changes is ensuring that purchase orders are created when required. Having an electronic purchase order allows invoices to be matched and processed in a much simpler and quicker fashion.

Payroll / ElementTIME

Implementation of Element Time electronic online timesheets has been completed for inside staff. Inside staff hours are uploaded from element time so no manual processing is required anymore.

CORPORATE SERVICES CONTINUED

In addition electronic leave approvals through Element time have proven to be a great time saver. One of the major changes has been more interaction between Manager/Supervisor's and their staff. The payroll officer is no longer needed to pass information on. All staff have access to their leave balances and past timesheets so are not reliant on the payroll officer for this information.

Long Term Financial Plan Review

A review was conducted of the Long Term Financial Plan which was originally set in December 2019. It was presented to a Council meeting in December 2020 and focused on reviewing target Financial Sustainability Indicators.

Council previously considered in the 2019/20 Long Term Financial Plan the need to reduce the rate increase (as proposed in previous Long Term Financial Plans) as there was the strong possibility of rate capping being introduced. With rate capping not eventuating at that time Council has considered with the past rate increases and the work carried out to address infrastructure renewal backlogs the rate increase should be left at a lower level of 2.00% plus growth and not at the initial rate set many years ago of 5.5%.

In addition there was an increased focus on forecast Capital spending in order to improve years 2-10 of the Asset Sustainability Ratio in order to reach an average Ratio of 100% over the life of the plan.

The adopted Ratio Targets were as follows;

Operating Surplus Ratio Between 0 % and 10 %

Net Financial Liabilities Ratio Between 0 % and 50 %

Asset Sustainability Ratio Between 95% and 105%

Audit Committee

The Audit Committee held 3 meetings during the 2020/21 financial year (the June 2021 meeting was combined with items from the deferred March 2021 meeting)

At the October 2020 meeting Auditor Ian McDonald addressed the meeting and discussed the completed 2019/20 financial results as well as other audit matters. This was following the conclusion of the final year of a 5 year audit term.

The audit committee also considered confidential tenders for a new audit appointment.

The Audit Committee recommend to the Council the appointment of Dean Newbery & Partners as Councils external auditor for a 5 year term commencing in the financial year 2020/21 and concluding in 2024/25.

Roads to Recovery

2020/21 was the second year of the new 2019-2024 Roads to Recovery program. Council's total program allocation has been set at \$2,038,770 over the 5 year program (\$407,754 per annum).

CORPORATE SERVICES CONTINUED

In addition as a drought affected council further allocations were made of \$203,877 in both 2019/20 and 2020/21.

The following projects were allocated and approved with 2020/21 funding.

Sched ID	Work Location	Cost to RTR	Complete	Start Works	Complete Works	Funding Type	Cml Exp to Date
4	Old Terowie Road (rural road) - From the intersection with Cudmore Gap Road in a south westerly dire	\$112,948	Yes	Jul 2020	Oct 2020		\$112,948
5	Caltowie Tarcowie Road (rural road) - From intersection with Trig Hill Road in a northerly direction	\$57,947	Yes	Jul 2020	Jan 2021		\$57,947
6	Cronin Road (rural road) - From intersection with Brogan Road in a southerly direction for 7.148km	\$100,096	Yes	Jul 2020	Oct 2020		\$100,096
7	Yarrowie Road (rural road) - From intersection with Wilkins Highway in a northerly direction for 5.2	\$117,298	Yes	Sep 2020	Feb 2021		\$117,298
8	Cudmore Gap Road (rural road) - From intersection with Frost Road in a south easterly direction for	\$72,132	Yes	Jul 2020	Feb 2021		\$72,132
9	Narridy-Redhill Road, (rural road) - From intersection with Hoskings Road in a south westerly direct	\$73,641	Yes	Sep 2020	Feb 2021		\$73,641
10	Hut Hill Road - Hut Hill Road (rural road), From intersection with Hill River Road in a westerly dir	\$77,569	Yes	Nov 2020	May 2021	JF	\$77,569
Total All Projects:						\$611,631	

Financial Assistance Grants to Local Government

Council relies on the receipt of Financial Assistance Grants each year as a significant component of revenue. For 2020/21 the amount of Financial Assistance Grants included in the original adopted budget equated to 20% of operating revenue.

During 2020/21 Council actually received a total of \$1,797,717 (this included an amount of \$967,542 relating to 2021/22 which was received as an advance payment in June 2021 and reported in the 2020/21 financial statements).

CORPORATE SERVICES CONTINUED

Review of Rates (Section 151(5) Report)

Council conducted a review of its rating system during February and March 2021 after engaging David Hope of Skillmar Systems Pty. Ltd. who specialises in this work. The review was the first since the Council was formed in 1997 and involved a period of consultation which included public meetings at Jamestown and Gladstone. After considering consultation feedback Council adopted a change to the rating system at the April 2021 ordinary meeting that:

- Implements land use, using the land use definitions set out in Regulation 14 of the Local Government (General) Regulations 1999, as the basis for differential rates.
- Continues to provide a reduction in the rate in the dollar for primary production properties.
- Introduces differential rates for Commercial and Industry properties, currently with a slight reduction from the general rate (5%) while it assesses the short- and long-term impact of the COVID pandemic on those categories of ratepayer; and
- Retains a fixed charge, at a significantly lower quantum.

The rating structure is:

Rate Category	Differential
Residential	General rate
Commercial – Shop	95% of general rate
Commercial – Office	95% of general rate
Commercial Other	95% of general rate
Industry – Light	95% of general rate
Industry - Other	95% of general rate
Primary Production	49.5% of general rate
Vacant Land	144% of general rate
Other	General rate
Fixed Charge	\$150

CORPORATE SERVICES CONTINUED

2021/22 Annual Business Plan & Budget Process

Attached is a table of the draft budget program, some dates were amended from those originally expected. Dates relating to the budget process were generally delayed by a month due to staffing matters.

2021/22 Budget Program		Dec	Jan	Feb	Mar	April	May	June
Long Term Financial Plan Reviewed	15-Dec							
Complete Capital Justification Forms	Apr-May							
Rating Review (subject to Council decision)	Jan-Apr							
Departmental Capital Budgets to MCS	April							
Draft Operating Budget to Managers	March							
SMT to consider Draft Capital Works Plan	April							
Departmental Operating Budgets back to MCS	March							
SMT to consider Draft Operating Budget	April							
Draft Capital Works Plan/Operating Budget/Rates Proposal to Council Workshop	4-May							
Fees and Charges to be reviewed by Managers	11-May							
Draft Annual Business Plan to Council Workshop	31-May							
Public Consultation	2 Jun - 25							
Audit Committee	22-Jun							
Public Meeting	23-Jun							
Annual Business Plan and Budget Adoption (late June/early July Special Meeting)	1-July							

The budget timeline allowed Council to hold 2 budget workshops in May. Workshops were again focused at the Strategic level (especially around Financial Sustainability Indicators).

Adopted budgets for 2021/22 have been loaded into Councils Synergy financial system at both Account and Job level. This allows management to monitor job budgets more accurately. e.g. park maintenance by location

The Annual Business Plan consultation period culminated with a public meeting on Wednesday 23rd June with 2 members of the public in attendance. Councillors and staff were in attendance to hear verbal submissions and answer questions.

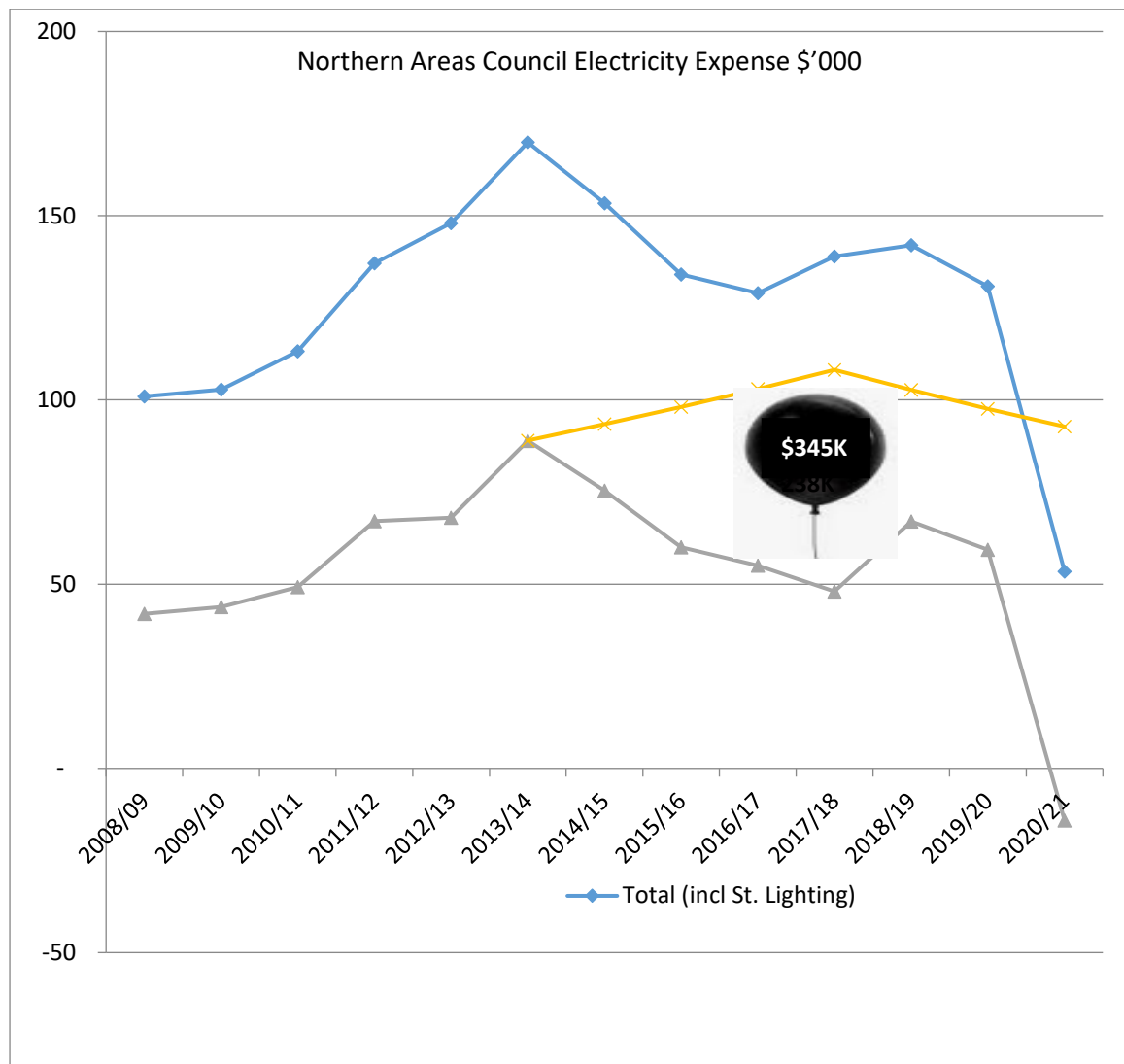
Due date for written submissions for the Draft Annual Business Plan was Friday 25th June. Three written submissions were received during the consultation period which commenced on Wednesday 2nd June. All were from community groups.

The final budget adoption occurred at a Special Council Meeting held on the 1st July. No changes were made to the final budget as a result of a submission received.

Electricity

Council has implemented a range of measures to offset rising electricity prices over recent years. The effect of past solar installations can be seen in the below graph. This does not include the range of community facilities with solar in which power bills are paid direct by the group.

CORPORATE SERVICES CONTINUED



2020/21 includes quarterly credit payments of \$47,748 for 5 depots and 4 halls where larger solar projects have eliminated the bill and pushed them into ongoing credit.

The “No Mitigation’ line applies a 5% yearly increase to the 2013/14 ‘Below 160’ figure of \$89,000 with a downward adjustment for 2019, 2020 and 2021, this mirrors industry trends. This is designed to represent the ‘do-nothing’ approach. The cumulative difference or saving between this line and where we are currently is \$345,000.

Solar Installations

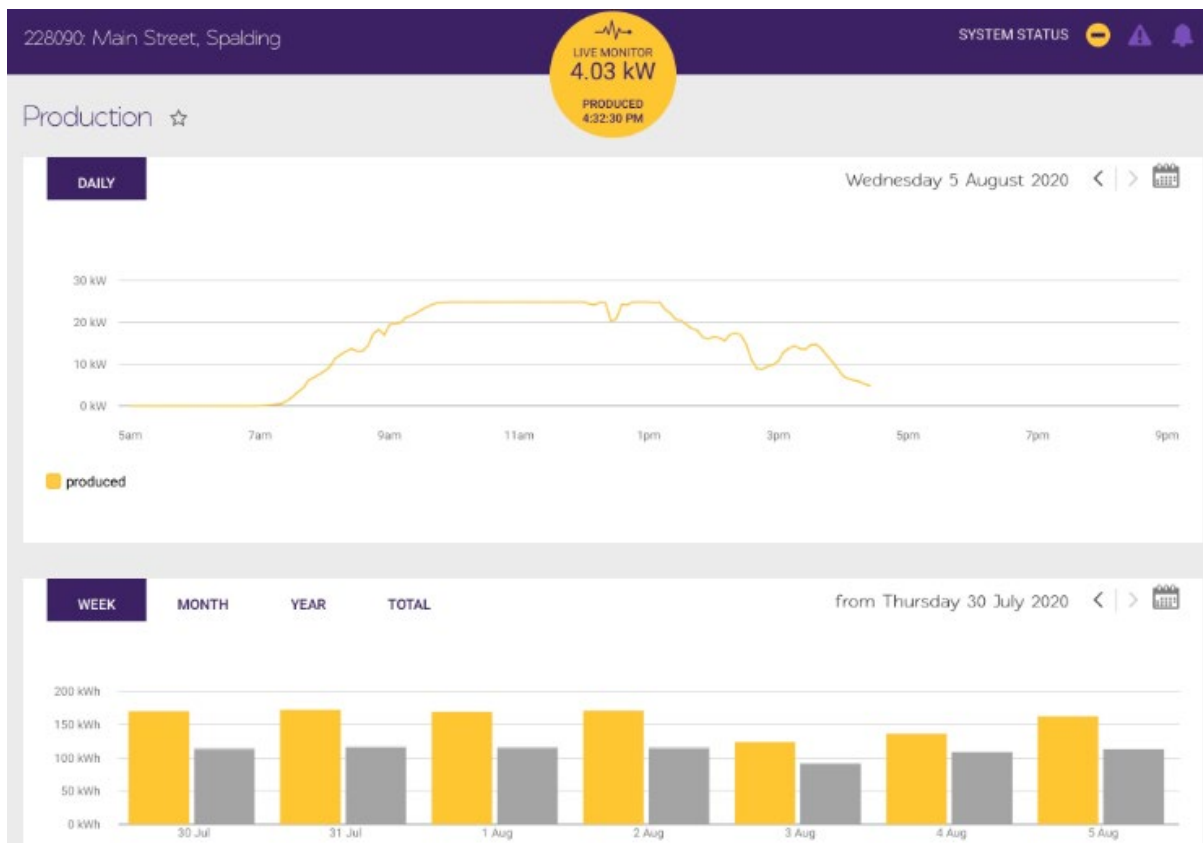
The 2020/21 budget included a \$50,000 allowance to install at least 3 x 20kW solar power systems at sites with suitable roofing. The sites include Yacka Hall, Spalding Depot and Jamestown Hall. In addition Council added a further \$15,000 for the Jamestown/Gladstone pools to upgrade their systems. Prior to this a Council decision also made available \$5,000 of OPAL residual funds for each of the 3 pools. This was for the structures to enable solar expansion. Another \$12,000 was budgeted to install a battery at the Jamestown office.

CORPORATE SERVICES CONTINUED

All sites were completed as follows:

- Gladstone Swimming Pool (extra 12kW plus inverter upgrade)
- Spalding Swimming Pool (extra 16kW plus inverter upgrade)
- Jamestown Swimming Pool (extra 15kW plus inverter upgrade on new pump shed roof)
- Hydrotherapy Pool warranty install – extra 10kW plus inverter upgrade
- Spalding Depot (20kW of panels with 3 phase upgrade)
- Yacka Hall (20kW of panels and phase upgrade)
- Office Battery (3 phase battery with 14kW storage for critical back-up plus a 10kW total panel increase to run battery). This project received \$15,000 of funding via Council’s insurance scheme. The battery is designed to run critical circuits in a power outage so computer servers and phone systems can still be used.

Solar monitoring via Solar Analytics has been installed at 8 large sites that didn’t have adequate monitoring. The system provides email alerts when issues arise and as such no ongoing monitoring is generally required. Example screenshot below.



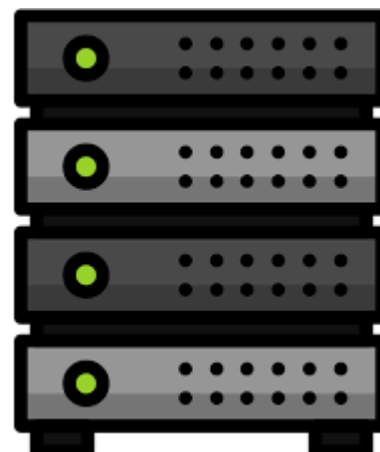
CORPORATE SERVICES CONTINUED

Information Technology

Council has continued to implement improvements in-line with its Strategic IT review.

NBN 'fibre to the premise' project has been completed by Optus and is now in operation.

Pit Stop have completed server configuration and cutover process for 2 x new Lenovo servers in late June. One of Council's two older servers had failed in April and we had been running on a Pit Stop loan server.



Jamestown Public Wi-Fi and security cameras configuration and installation complete.

Yearly Investment Review

Through the predominant use of the Local Government Finance Authority (LGFA), Council has been able to obtain investment returns comparable to the benchmark established by financial markets. This was achieved with a high quality, low risk investment portfolio.

During the 2020/21 financial year the official Reserve Bank of Australia (RBA) cash rate commenced at 0.25%. Rates remained unchanged at 0.25% for 4 months. The scheduled November 2020 meeting resulted in another 0.15% drop as a result of the pandemic. The cash rate target has since remained at 'unprecedented' low levels of 0.10%.

Investment earnings ranged from 0.30% to 0.45% on funds invested during the period (excluding the LGFA bonus rate)

The total interest income from financial institutions for the year was \$21,626, which was well below the previous year's interest income of \$41,079. Council's interest income in the previous 2 financial years was higher due to larger cash reserves, while 2019-20 and 2020-21 has dropped significantly due to decreases in interest rates.

(The decrease in interest income was forecast in the 1st budget review with budgeted income adjusted downwards by \$36,800 to the new forecast of \$25,000)

The table below provides Council's investment portfolio performance for the year ended 30 June 2021 compared to the official cash rate and the bank bill swap rate.

CORPORATE SERVICES CONTINUED

Investment Portfolio for year ended 30 June 2021

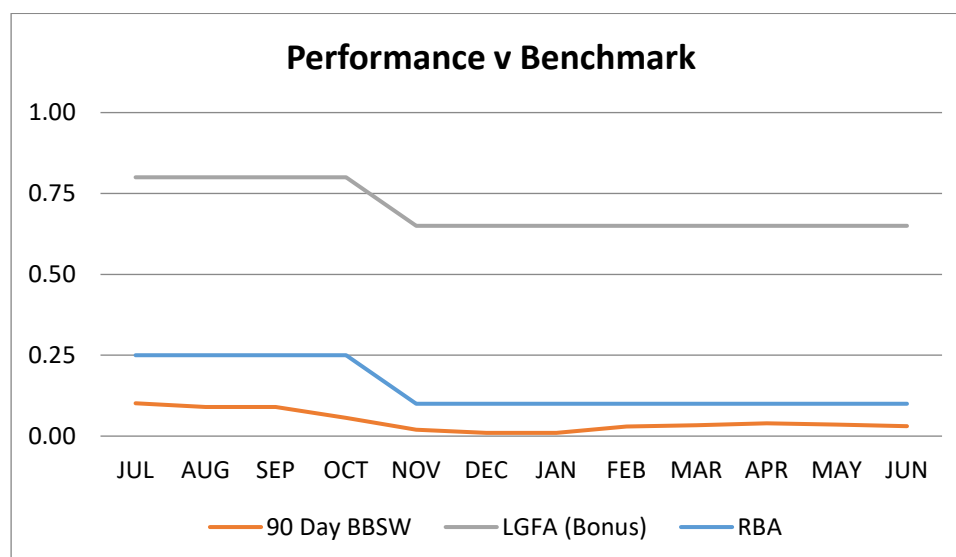
Financial Institution	Average	Average Return
Local Government Finance Authority*	1,763,518	0.70%
Total Average Investments	1,763,518	0.70%
NAB Council Operating Account	697,028	0.00%
90 Day Bank Bill Swap Rate		0.15%
Official Cash Rate		0.15%

* LGFA average return factors in a yearly bonus percentage of 0.70%.

Note: The 90 Day BBSW as at 30 June 2020 was 0.10% and the RBA cash rate was 0.10%.

On average, Council investments provided greater returns than both the 90 day bank bill swap rate and the official cash rate.

The following graph provides a comparison of Council’s average investment interest rates with the LGFA (including bonus percentage) compared to the BBSW and the official Reserve Bank of Australia interest rates for the previous financial year. Council’s average investment returns with the LGFA have decreased dramatically from historic levels. There was also little incentive to invest reserves for longer terms due to low forecast rates. The LGFA support package has resulted in ‘at call’ deposits receiving a 0.2% boost since May 2020.



COMMUNITY DEVELOPMENT

Council's Manager, Community Development was successful in securing the grant funds from external sources, during the 2020/21 financial year.

Applicant	Grant	Project
Belalie Mannanarie Cricket Club	Office for Recreation and Sport	Programs and Equipment
Bundaleer Forest Community Areas Association	Foundation for Rural and Regional Renewal, Tackling Tough Times Together Grants	Storage and Equipment for Efficient and Sustainable Volunteer Management of Event Centre
Georgetown Bowling Club	Office for Recreation and Sport	Programs and Equipment
Gladstone Bowling Club	Office for Recreation and Sport	Programs and Equipment
Gladstone Golf Club	Office for Recreation and Sport	Programs and Equipment
Jamestown & Areas Basketball Association	Office for Recreation and Sport	Programs and Equipment
Jamestown Agricultural Horticultural and Floricultural Society	Federal Department of Agriculture	Regional Agricultural Show Development Grants Round 1
Jamestown Agricultural Horticultural and Floricultural Society	Federal Department of Agriculture	Regional Agricultural Show Development Grants Round 2
Jamestown Amateur Swimming Club	Office for Recreation and Sport	Programs and Equipment
Jamestown Bowling Club	Office for Recreation and Sport	Programs and Equipment
Jamestown Flying Group	Federal Department of Industry, Innovation and Science	Regional Airports Program, upgrade and sealing of Southern runway apron area to assist water bombing firefighting planes
Jamestown Golf Club	Office for Recreation and Sport	Programs and Equipment
Jamestown Junior Cricket Club	Office for Recreation and Sport	Programs and Equipment
Laura Cricket Club	Office for Recreation and Sport	Programs and Equipment

COMMUNITY DEVELOPMENT CONTINUED

Applicant	Grant	Project
North Western Bowling Association	Office for Recreation and Sport	Programs and Equipment
Northern Areas Council	Federal Department of Infrastructure	Local Roads and Community Infrastructure Fund Phase 1, various project
Northern Areas Council	South Australian Government	Community Seals Program
Southern Flinders Football Club	Office for Recreation and Sport	Programs and Equipment
Spalding Booborowie Cricket Club	Office for Recreation and Sport	Programs and Equipment
Spalding Booborowie Cricket Club	Office for Recreation and Sport, Community Recreation and Sport Facilities Program	Training net facilities
Spalding Booborowie Cricket Club	Cricket Australia National Infrastructure Facilities Fund	Training net facilities
Spalding Sports Association	Office for Recreation and Sport	Programs and Equipment
Spalding Sports Association	Office for Recreation and Sport, Community Recreation and Sport Facilities Program	Tennis relocation project, from existing facilities to oval courts
Spalding Tennis Club	Office for Recreation and Sport	Programs and Equipment
Washpool Hall Committee	Foundation for Rural and Regional Renewal, Tackling Tough Times Together Grants	Upgrade of kitchen facilities at the Washpool Hall

COMMUNITY DEVELOPMENT CONTINUED

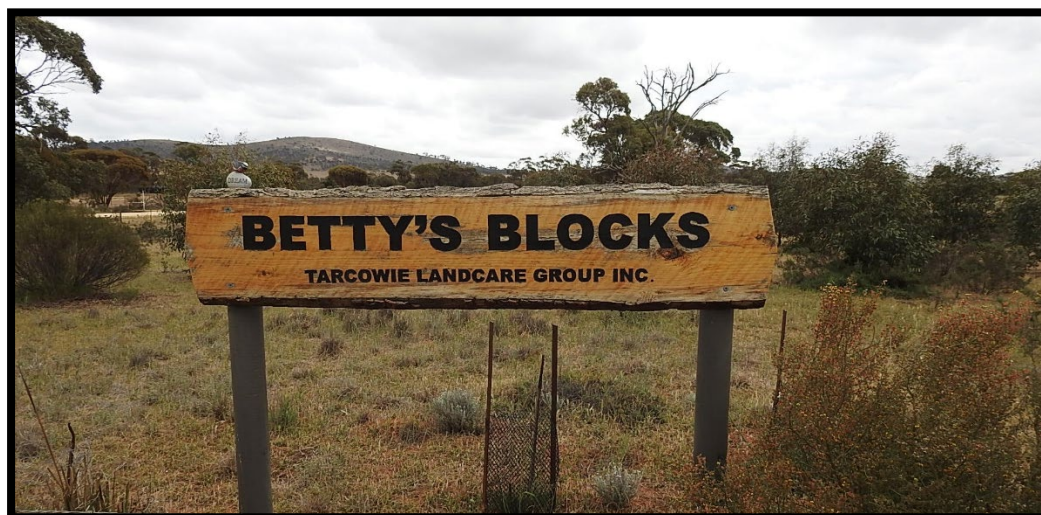
Community Projects Budget and Grant Rounds

Since 2008/09 Council has assigned funds to the Community Projects Budget to consider ‘one-off’ requests from community groups for support prioritising projects or events do not ‘fit’ existing funding or grant guidelines.

With the increasing number of ‘one-off’ requests being presented to Council from both Section 41 Committees or Incorporated community and sporting groups, it became prevalent that a process was required to ensure the fair and equitable distribution of the funds.

The allocation of funds from the Community Projects Budget was distributed over a single round in October 2020, with \$19,904 available. A total of 11 groups were successful in obtaining funding, with the projects being:

Successful Applicants 2020/21	Awarded
Gladstone Community Development and Tourism Association	\$2,210
Gladstone History Group	\$3,000
Jamestown Apex Club	\$1,500
Jamestown Visitors Centre Committee	\$1,149
Laura Golf Club	\$767
Northern Areas History Groups	\$850
Rocky River Historic and Arts Society	\$550
Spalding District	\$3,000
Spalding Tennis Club	\$2,818
Tarcowie Landcare Group	\$1,650
Washpool Hall Committee	\$2,410



The Tarcowie Landcare Group were one of 11 groups who were successful in obtaining grant funding

AGL Hallett Wind Farm Community Fund

2020/21 saw the continuation of the AGL Hallett Wind Farm Community Fund, with an allocation of \$27,500 distributed to groups across the Council area.

A total of 11 different community groups were successful in obtaining funding.

COMMUNITY DEVELOPMENT CONTINUED

2020/21 was the fourteenth financial year in which Council had partnered with AGL for the fund, having commenced in 2007/08 on the completion of stage one of the Hallett Wind Farm.

Successful Applicants 2020/21	Awarded
Bundaleer Forest Community Areas Association	\$2950
Bundaleer Sport and Recreation	\$2010
Caltowie Chilled out and Fired Up Festival	\$2950
Gladstone Golf Club	\$2010
Jamestown Show Society	\$1500
Jamestown Swimming Pool Management Committee	\$1500
Laura Community Gym	\$1500
Spalding War Memorial Committee	\$1500
Victoria Park Jamestown Management Committee	\$3000
Visit Jamestown Committee	\$2950
Yacka Golf Club	\$3000



The Gladstone Golf Club were one of 11 groups who shared in \$27,500 in grant funding

Neoen Energy Hornsdale Wind Farm Energy Efficiency Fund

As in previous years the Neoen Hornsdale Wind Farm Community Fund has been split into two even rounds, one being for the specific energy efficiency related projects and the other for the traditional general projects.

For the Neoen Energy Hornsdale Wind Farm Energy Efficiency Fund, \$60,000 was distributed specifically for energy efficiency projects. A total of 10 different community groups were successful in the seeking funding in the 2020/21 round.

COMMUNITY DEVELOPMENT CONTINUED

Successful projects for 2020/21 were:

Successful Applicants 2020/21	Awarded
Bundaleer Forest Community Areas Association	\$7920
Caltowie Bowling Club	\$7920
Caltowie Memorial Hall and Progress Association	\$1800
Jamestown Bowling Club	\$8000
Jamestown Golf Club	\$8000
Laura Golf Club	\$5420
Spalding Bowling Club	\$5275
Victoria Park Jamestown Management Committee	\$7920
Washpool Hall Committee	\$4820
Yacka Golf Club	\$2925



The Spalding Bowling Club were successful in obtaining \$5,725 toward a solar energy installation

COMMUNITY DEVELOPMENT CONTINUED

Neoen Energy Hornsdale Wind Farm General Community Fund

For the general projects round, a total of 21 groups from across the Council area shared in \$68,000 in funding.

The successful groups were:

Successful Applicants 2020/21	Awarded
Bundaleer Forest Community Areas Association	\$5000
Bundaleer Motorcycle Club	\$2900
Bundaleer Sport and Recreation	\$3900
Caltowie Bowling Club	\$2400
Caltowie Chilled Out and Fired Up Festival	\$2000
Caltowie Memorial Hall and Progress Association	\$5000
Catholic Women's League Jamestown	\$2600
Gladstone Community Development and Tourism Association	\$5000
Jamestown Development Association Diggers Walk Committee	\$1750
Jamestown Lawn Tennis Club	\$1450
Jamestown Peterborough Football Netball Club	\$3900
Jamestown Regional Hydrotherapy Pool	\$4400
Jamestown Rifle Club	\$3450
Jamestown Show Society	\$3720
Laura Memorial Civic Centre Management Committee	\$5000
Laura Visitor Information Centre	\$3180
Secret Men's Business Committee	\$2000
Sing Australia	\$450
Southern Flinders Discovery Centre Committee	\$4000
Victoria Park Jamestown	\$5000
Washpool Hall Management Committee	\$5000

In total 53 different grants were awarded across the four funds, delivering \$175,404 to not for profit volunteer based organisations across the Council area. Official presentations were very limited due to COVID-19 restrictions.



COMMUNITY DEVELOPMENT CONTINUED

Southern Flinders Tourism

2020/21 saw Council continue to work in partnership with neighbouring Councils across the region to promote Tourism in the Southern Flinders Ranges. In partnership with the Port Pirie Regional Council, District Council of Mount Remarkable, District Council of Orroroo/Carrieton and the District Council of Peterborough Council continued to work in accordance with the Southern Flinders Tourism and Events Strategy and Action Plan.

2020/21 proved to be a year of interruption with regard to Tourism, as the impacts of restrictions from the COVID-19 pandemic saw the unfortunate cancellation of key community events, including the award winning Laura Fair for the second consecutive year, whilst the Jamestown Races, Jamestown Show and Jamestown Christmas Pageant were all cancelled.

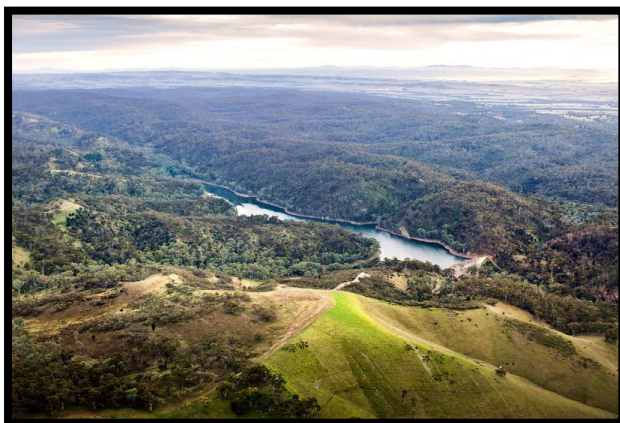
The Jamestown Flying Group also opted to reschedule their planned 2021 Air Show by a year, with plans to host the event in 2022.

With restrictions having lifted somewhat for regional South Australia, tourism visitor numbers to the region experienced a sharp uplift from previous years, with many South Australian's opting to holiday intrastate. The positive impact on tourism operators flowed through to local hospitality providers such as local hotels and café's.

Work continued on the planning stages for the \$6.5 million Silver to Sea Tourist Trail stretching from Port Pirie via Gladstone, Jamestown and Peterborough through to Broken Hill. Initial works are planned to commence in the 2021/22 financial year.



Tourism visitation numbers received a major uplift in 2021/22 with places like Appila Springs seeing far more visitors than ever before



Beetaloo Valley and Reservoir will feature at the Southern part of the new Remarkable Southern Flinders National Park

Work has continued on the new Remarkable Southern Flinders Project featuring the new National Park.

This will stretch from Beetaloo Valley through to the Northern section of the District Council of Mount Remarkable near Wilmington.

Whilst work has commenced in the Northern Section, planning continues for the rollout of various projects in and around Beetaloo Valley.

COMMUNITY DEVELOPMENT CONTINUED

The Bundaleer Forest Picnic Ground Function Centre “Maple and Pine” was completed in late 2020 and has been enormously busy in the period since. This has created significant flow on effects to the local economy with accommodation, catering, florist and hair dressing businesses seeing an uplift in business.



COMMUNITY DEVELOPMENT CONTINUED

Bundaleer and Beetaloo Reservoir Recreational Fishing Access

2020/21 saw a continuation of recreational fishing access, at the Bundaleer and Beetaloo Reservoirs, which now includes on water access for non motorised craft including canoes and kayaks.

Combined with a significant fish stocking program, recreational fishers were able to achieve significant results, with well sized fish being caught at the site

Council's role at the Beetaloo Reservoir remains limited primarily to tourism promotion, with recreational infrastructure having been established decades earlier, which continues to be managed by SA Water.

Recfish SA continues to monitor fish stocks at both sites, with restocking occurring on a regular basis. The success of the stocking program has resulted in excellent reports from various recreation fishers who have accessed both sites.

The restocking process is funded through revenue generated by the sale of recreational fishing permits. This provides fishers with access to the site for fishing, whilst other recreational access such as bushwalking and on water activity is open to members of the general public, who only need a permit if they are seeking to combine such activity with recreational fishing.



COMMUNITY DEVELOPMENT CONTINUED

Mid North Starclub Field Officer

Council continued its commitment to the Mid North Starclub Officer program, along with the Port Pirie Regional Council, District Council of Mount Remarkable, District Council of Orroroo Carrieton, District Council of Peterborough and the Office for Recreation and Sport. 2020/21 was the second year of the combined funding program, with funding committed until 30 June 2021.



The Spalding/Booborowie Cricket Club were successful in seeking funding for new training facilities

The role of the Starclub Field Officer is to work with Sporting Clubs, associations, schools and physical activity providers to support the development of active recreation and sport; further develop clubs and organisations and the programs and services they provide; and increase community participation in active sport and recreation programs. There has been an increased focus on establishing good governance practices and policies through the Starclub program.



The Gladstone Bowling Club were one of many groups in the Council area to receive programs and equipment funding

The Field Officer has concentrated efforts towards the following key areas:

- Coaching, Officiating & Volunteers
- Safe Supportive Environments
- Club Management Structures and Processes

Rhys Millington resigned from the position of Mid North Star Club Field Officer, finishing in the role at the end of the 2020/21 financial year, having started in the role in 2017.

Training courses were predominantly held online due to the Covid-19 pandemic, whilst an enormous amount of work continued to be done to help clubs and associations operate in accordance with SA Health Covid Safe requirements.

Significant funding was secured by the Spalding Sports Association with \$146,400 allocated in funding toward the upgrade and expansion of the existing outdoor courts to enable tennis to join basketball and netball as co-tenants of the courts in to the future.

The Spalding/Booborowie Cricket Club were also successful in sourcing \$18,000 in funding toward the construction of new cricket training facilities. 15 different community sporting organisations from across the Council area were successful in sourcing funding for programs and equipment.



The Spalding Sports Association were successful in seeking funding to relocate tennis to the Oval Complex and co share courts with netball and netball

COMMUNITY DEVELOPMENT CONTINUED

Swimming Pools

Swimming Pools continue to serve as a key recreational facility across the Council area. Council continues to operate three outdoor swimming pools, located at Gladstone, Jamestown and Spalding.

Council employs staff to undertake activities at the pools where it remains necessary, whilst community volunteers and organisations provide assistance where required and deemed suitable. In all cases, Council ensures that all workers operate within compliance of Work, Health and Safety regulations as per the *WHS Act 2012*.

VACSWIM and school swimming programs remain a key activity at the facilities, whilst competitive swimming continues to be a popular sporting choice at Gladstone and Jamestown.



In accordance with Council's asset management plan and working in alignment with the previously completed operational level plans, Council continued to upgrade swimming pool facilities during 2020/21, albeit upgrades undertaken across the past year have been far less significant than previous years.

Having completed upgrades to both the disabled and the female changing rooms at the Gladstone and Spalding Swimming Pools, Council secured funding to upgrade the male changing rooms at both sites, as well as the canteen facilities at Gladstone. Work on such projects, as well as work on upgrading the pump room and chlorination systems at the Gladstone commenced in June 2021 with all work due for completion prior to the 2021/22 swim season.



Council also upgraded the solar energy installations at all three sites, which has significantly assisted in further ongoing energy savings, which has enabled funds to be reinvested in to each facility.

With Covid-19 SA Health regulations creating an increased level of hygiene compliance, Council allocated a further \$5,000 toward each pool to assist with the costs associated with cleaning and other hygiene measures.

COMMUNITY DEVELOPMENT CONTINUED

Regional Hydrotherapy Pool and Gymnasium

Council continues to operate the Regional Hydrotherapy Pool and Gymnasium, located in Jamestown. The facility offers both a hydrotherapy pool rehabilitation facility and a gymnasium.

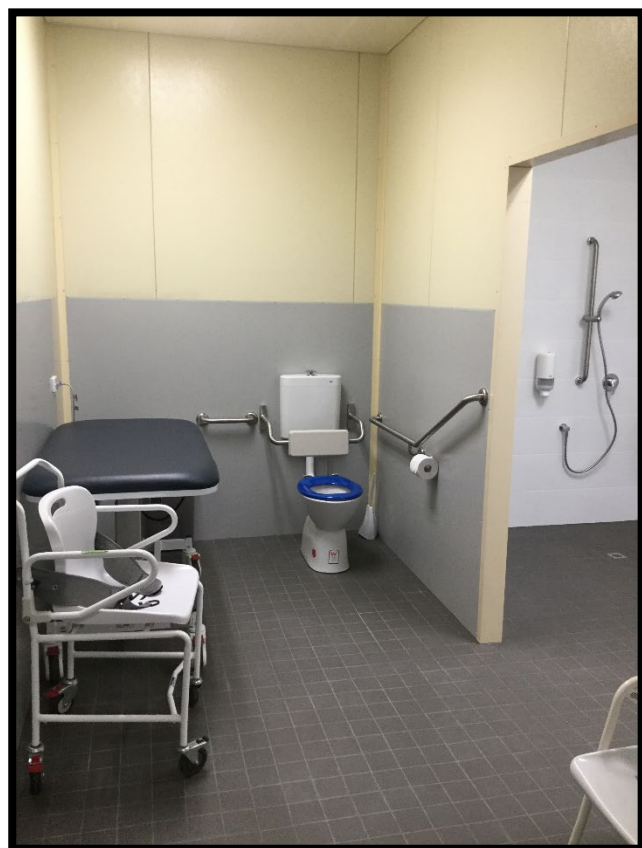
The facility continues to serve the wider region and enable people to access such a facility locally, as opposed to travelling to Adelaide. However due to restriction from the COVID-19 pandemic, the facility was forced to temporarily close, in order to comply with such directions.

During the 2020/21 financial year, Council continued to manage the facility in accordance with the operational level asset management plan, whilst continuing an inward review of the facility, seeking to undertake efficiency measures to ensure long term financial sustainability.

Due to the nature of the pool as a rehabilitation facility it was impacted at a greater level than many other community facilities by Covid restrictions, in the early part of the 2020/21 financial year. Such restrictions also impacted the availability of the gym for members of the public, due to the increased requirements for cleaning and hygiene controls. Council allocated an amount of \$2,500 to assist with the increased costs of cleaning and the purchase of additional cleaning materials.

A further solar energy installation took place during 2020/21, whilst some panels from the previous installation were replaced under warranty, which greatly improved the efficiency of the system. This issue was easily identified through notification from the Solar Analytics live system monitoring app.

In the latter part of the year, work was completed to upgrade the former consulting room and the existing disabled changing room to serve as a larger disabled changing room, fully compliant with modern DDA requirements.



COMMUNITY DEVELOPMENT CONTINUED

Jamestown Community Library

Council continued its partnership with the South Australian Government's Department of Education and Child Development, through the Jamestown Community Library located at the Jamestown Community School.

A management board continued to oversee Library operations consisting of Council's Manager, Community Development, the Principal of the Jamestown Community School and the School Librarian.

The library continued to service the Jamestown Community School, Jamestown Kindergarten and Childcare Centre, St James School in addition to the local community.



Covid-19 restrictions during the 2020/21 financial year were reasonably consistent, which enabled community access for the vast majority of the year. In the latter part of the year, evening events such as the visit of author Grant Lock were able to be held, with good attendance by the community.

COMMUNITY DEVELOPMENT CONTINUED

FLINDERS MOBILE LIBRARY - 2020/21

The Flinders Mobile Library continued to provide library services to residents of the Northern Areas Council, District Council of Mount Remarkable and the Port Pirie Regional Council during 2020/21. The Flinders Mobile Library service is based out of Gladstone, with the mobile library truck visiting 16 townships, 9 schools and 2 kindergartens on a fortnightly schedule.

POPULATION SERVED	2016/17	2017/18	2018/19	2019/20	2020/21
District Council of Mt Remarkable	2773	2774	2907	2910	2909
Northern Areas Council	2468	2450	2522	2532	2540
Port Pirie Regional Council	1007	996	1019	1012	1013
TOTAL	6248	6220	6448	6454	6462

The total population served data is gathered from the Census and provided to Flinders Mobile Library by PLS (Public Library Services). This data forms a part of the formula used to determine each individual Council's financial contribution to the library each year.

Circulation Statistics

LOANS	2016/17	2017/18	2018/19	2019/20	2020/21
Total Physical Loans	42,554	41,421	36,165	30,933	35,798
Total Digital Loans (ebooks + eAudio)	896	1400	1157	2314	2636
Total Digital Loans (eMagazines)	-	-	-	17,523	24,699
Total Holds placed & collected	6662	7745	7456	7298	6858
Total Incoming holds from other Libraries in SA	5443	6947	7011	6954	6954
Total Outgoing holds to other Libraries in SA	9084	9046	6810	5938	6083

The total number of ebook & eAudio loans equals 6.8% of the total number of loans (excl. eMagazines).

Collection Statistics

Collection maintenance is a constant and ongoing process, meaning that collection totals are in a constant state of flux as old items go out and new items come in. At June 30th 2020, Flinders Mobile Library had a total of 18,205 physical items in the collection. These items consist of books, DVD's, CD's, CD-ROM's, magazines, language kits and audio books.

COLLECTION	30/6/17	30/6/18	30/6/19	16/6/20	30/6/21
Items on the Flinders Mobile Library truck	6804	6564	6473	5393	5805
Items in the Flinders Mobile Library depot	13799	13913	13591	12812	12441
TOTAL items in the entire collection	20,603	20,477	20,064	18205	18246

COMMUNITY DEVELOPMENT CONTINUED

Borrower Statistics

We had an increase of 62 borrowers registered directly with Flinders Mobile Library during the 2020/21 financial year, however this is likely due to a delay in the annual borrower 'cull' of people who have not used a library service at all in the last 3 years. These borrowers are now deemed inactive and should be removed from the system to provide a more accurate reflection of actual borrower statistics. This database update will be undertaken before the end of 2021. The Flinders Mobile Library officially had 1306 registered members at June 30 2021; however in actual fact, 1443 people regularly access our library service.



Of these 1306 borrowers, 565 are students who, for the majority of visits, access the Flinders Mobile Library when we visit their school during the school term. These student borrowers made up 43.26% of the total Flinders Mobile Library borrowers for 2020/21, making a fairly even split between student borrowers and all other borrowers. Flinders Mobile Library school borrower numbers are in a constant state of change due to new students arriving as old ones are leaving. Our total number of registered borrowers usually hovers around the 1300 mark.

BORROWERS	2016/17	2017/18	2018/19	2019/20	2020/21
Borrowers registered with Flinders Mobile Library	1357	1270	1250	1244	1306
Borrowers registered with another home library but also use our service regularly	123	129	135	136	137
TOTAL borrowers utilising Flinders Mobile Library	1480	1399	1385	1380	1443

BORROWERS BY COUNCIL AREA	2016/17	2017/18	2018/19	2019/20	2020/21
District Council of Mt Remarkable	589	558	547	561	581
Northern Areas Council	569	540	538	523	558
Port Pirie Regional Council	164	134	132	124	126
Other	35	38	33	36	41
TOTAL	1357	1270	1250	1244	1306

COMMUNITY DEVELOPMENT CONTINUED

Below is a break-down of Flinders Mobile Library borrowers by their home towns for 2020/21. We visit the local school in each of the towns marked with an *, which is why there are more borrowers in these towns.

BORROWER BREAKDOWN BY TOWN	2016/17	2017/18	2018/19	2019/20	2020/21
<i>District Council of Mount Remarkable</i>					
Murray Town	11	8	6	8	9
Appila	16	16	16	18	17
Port Germein	43	36	32	33	37
Wirrabara (*only until end of 2017)	56	33	33	34	37
Melrose*	89	84	88	83	90
Wilmington*	95	95	87	93	92
Boooleroo Centre*	290	278	280	287	303
<i>Northern Areas Council</i>					
Gulnare	8	10	11	10	10
Yacka	28	26	20	20	20
Georgetown	36	25	22	24	31
Spalding*	60	58	60	58	55
Laura*	169	170	173	174	188
Gladstone*	277	271	273	257	279
<i>Port Pirie Regional Council</i>					
Redhill	28	22	19	17	17
Napperby*	77	58	56	43	43
Koolunga*	57	53	47	54	57
UNDEFINED	17	27	27	31	21

INFRASTRUCTURE SERVICES

2020-21 Annual Report – Infrastructure Services

Councils Infrastructure Services Department provides a range of services, construction and maintenance to maintain and improve the built assets of council which in turn support and facilitate community activity.

The Infrastructure Services Department of Council experienced another dry year with minimal rain throughout the year. The Climatic environment impacts council operations through increased water carting requirements for construction and limited maintenance grading opportunities due to low moisture content in road pavement.



Strategic Actions

In conformance with Council’s Strategic Plan, the Infrastructure services Department has commenced or delivered a number of initiatives through the year in conjunction with the delivery of Council capital and operating programs. These are summarised in the following pages.

Playgrounds

Georgetown Memorial Park received a new playground and with additional funding from the Georgetown Development Association the playground was able to have additional equipment installed to provide a greater experience for the young ones. Council managed the project with input from the community on the type of playground equipment required.



Sealing Unsealed Streets

Council made a determination to allocate funds over 5 years to seal key unsealed township streets throughout the Council district. This strategic decision resulted in an allocation in the 2020-21 year capital program to continue the program.

Street Lighting

Council made inroads into the lighting program which followed on from an audit conducted in 2017 with street projects completed in several of the townships.

INFRASTRUCTURE SERVICES CONTINUED

Bridges

Council investigated options for the renewal of Pine Creek Bridge during the year. This bridge has been downgraded in its mass capability to 30t due to structural deficiencies and provides a level of frustration to freight operators with a detour in place for higher mass vehicles.

Council has been investigating further options for the repair of the bridge after the Federal Government rejected a funding proposal to construct a floodway.

Asset Management

Council has been progressing with generational change in asset management practice through the year. Asset management is a very technical activity requiring a secure data management system and ongoing review of asset condition to mitigate the risks of ineffective decision making in asset renewal and funding projections.

This year, Council committed to implementing asset management software, hosted by industry specialists to ensure the security of its valuable asset data inventory, digital location information, valuations and condition.

Revaluations were carried out of Council infrastructure assets this year and then inputted into the software program with this financial information flowing into the financial statements for the first time.

CWMS

A number of small projects were carried out during the year to conform to safety requirements and meet current equipment standards.

Public Events

Council supported community events with management of road closures through statutory processes and liaison with the Department of Infrastructure and Transport. A range of other measures were provided to assist the Australia Day celebrations and Caltowie Chilled Out and Fired Up Music Festival. Other sundry events which assist in building community including the Laura Fair were cancelled due to COVID-19.

Plant Replacement

Plant owned and operated by Council forms a distinct asset class and requires management to obtain best value to council's stakeholders. Council reviewed its 10 year replacement program, amending as necessary to meet changing demands and service delivery requirements. A program of updating and renewing plant and vehicle assets was carried out through the year within the approved budget.

Footpath Renewal

Council resolved to assign monies from the infrastructure renewal account and from a grant allocation towards footpath and kerb works. A program developed from the asset management system for the high priorities areas across townships was adopted by council and the program commenced.

INFRASTRUCTURE SERVICES CONTINUED

Budget

Councils operations and maintenance budget is split across the activities of the asset groups and services and includes costs for labour, materials and contracts associated with carrying out the day to day services and maintenance across the council region.

Plant costs are recouped through internal plant hire as equipment used in operational (and capital) activities is charged to the service the plant is providing. So while the cost of plant is almost a quarter of the operational expense in Infrastructure, those costs are covered by plant income from the other budget sectors. The hours the machine is used is charged to the budget account for the activity. That may be a re-sheeting expense account or a maintenance account for example.

Asset Management

In accord with Section 122 of the Local Government Act 1999 Council is required to develop and adopt strategic plans. Asset Management Plans (AMP) are considered to constitute a core component of the set of strategic plans that meet this statutory requirement.

As a high priority, Council has promoted the development of Asset Management Plans from strategic level through to operational plans. These strategic documents provide high level information that informs the future funding needs of the asset class for which they have been developed. The operational plans incorporate schedules for maintenance activities and similar planning tools like unique asset identification.

The goal of infrastructure management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers. To enable this to occur, we must identify the unique information about a particular asset.

Capital Program

The Capital program was only partly delivered in 2020-21 including carried forward projects. Staff shortages and the lack of contractors being available led to the capital program not being completed.

A number of projects also did not commence due to delays in grant funding advice and other projects were developed in terms of design, however were too late in the year to be commenced on site.

2020-21 has been a busy year in terms of infrastructure renewal. A significant re-sheeting program was delivered across the Council district. The quantity of road being re-sheeted in current years is sufficient to renew all sheeted roads over an 18 year period. Road users will be aware that many heavily used sheeted roads will not last that long. The reasons relate to the quality of rubble as much as use, weather and maintenance.

INFRASTRUCTURE SERVICES CONTINUED

Other Capital projects completed this year include:

- Jamestown Hall structural repairs
- Solar Upgrades
- Playground Renewal at Georgetown Memorial Park
- Footpath Construction
- Street lighting upgrades to the value of \$40,000
- CWMS upgrades



REGULATORY SERVICES

2020-2021 Regulatory Service Annual Report

Development Applications -Building Assessment

During the 2020/2021 financial year Council received 121 development applications which was an increase in the number of development applications received in the previous financial year.

The value of the 2020/21 development applications was \$10.87 million including both residential and commercial development.

The Planning, Development and Infrastructure Act 2016 introduced a number of new tools, including a 24/7 digital ePlanning system. The Planning and Design Code is the cornerstone of the new system and has replaced all Council Development Plans to become the single source of planning policy for assessing development applications.

These planning reforms were implemented on 31 July 2020 which required all new development applications to be lodged online and assessed against the State-wide code.

As part of the reforms, Council has formed the Mid North Regional Assessment Panel (RAP) in conjunction with the Regional Council of Goyder, Wakefield Regional Council and the Clare and Gilbert Valleys Council.

Council did not have any Development Applications referred to the Regional Assessment Panel.

Development applicants have the choice to have their applications assessed for building rules compliance by a private certifier, or by Council.

Building Fire Safety

Council's Building Fire Safety Committee consists of a consulting engineer, a representative from the CFS Building Fire Safety Unit and a Council staff member.

This committee carries out inspections of council owned buildings, industrial buildings, sporting complexes, clubrooms and buildings that offer overnight accommodation to ensure compliance.

Where issues are identified, non-compliance notices are issued specifying the work required to meet compliance with codes and further follow-up inspections are scheduled to monitor the required actions.

During the year, two (2) enforcement notice has been served on a building owner for non-compliance with building fire safety requirements.

Vacant & Unsightly Properties

Unsightly neglected, vacant buildings and premises continue to be a source of complaints to Council and are difficult to resolve if property owners are either not willing or have difficulty in upgrading or remediating buildings or do not live locally.

However there are a number of vacant and substandard dwellings in the Council area which are currently being upgraded by the owners.

REGULATORY SERVICES CONTINUED

Although considerable time is required, Council Staff continue to work with owners to have their buildings /premises remediated, and if possible avoid legal action which would result in demolishing buildings in town areas.

Illegal Development

Despite Council providing information regarding activities requiring development approval and staff being available to assist with the application process there has been an increase in building work commencing without approval.

Council Staff continues to follow up property owners who carry out illegal development and building work prior to approval being issued.

One illegal development has been resolved by Environmental Resource Development Court mediation.

Illegal Dumping

Although not a regular occurrence there have been 4 occasions in the last year where illegal dumping occurred on roadsides, resulting in a cost to Council for removal.

Animal Control

The DACO (Dogs and Cats online) registration system has continued to prove to be the 'one stop shop' for dog and cat registrations with many of the renewals and new registrations done out of business hours by the animal owners in the comfort of their home.



1624 registrations were carried out in 2020-21 financial year which included 1404 dogs and 220 cats.

The registrations resulted in \$33,349 in fees with an additional \$4,308 received in infringement and impoundment fees. The expiations resulted from dogs wandering, barking, and attacking or harassing both humans and animals. Council's Animal Management Officer once again carried out registration checks which proved successful and encouraged owners to comply with the Dog and Cat Management Board's registration requirements.

Council's Animal Management Officer has successfully re-homed a number of dogs voluntarily surrendered by their owners to Council.

Cat registrations also have continued to rise in numbers in line with the Dog and Cat Management Board's focus on the management of cats throughout the state.

Reports of residents troubled by wandering or excessive numbers of cats on their properties have continued in 2020-21 year. Anyone experiencing problems with cats can access cat cages by contacting Council's Administration Offices or Animal Management Officer, Garry Harris.

REGULATORY SERVICES CONTINUED

Pest Control

Council assisted with bird culling in a number of towns. As with rodents and other vermin, property owners have responsibilities for their properties where wild pigeons may nest and breed.

The number of pigeons in towns has been reduced to a level allowing property owners and communities to control numbers.

Cemeteries

Management of cemetery records and interment processes is an ongoing activity for Council. 19 interments and 14 ashes' placements have occurred during 2020-21.

Community Wastewater Management Systems (CWMS)

Waste water systems connected to the CWMS systems in Gladstone, Jamestown and Laura are being desludged every four years through the Contractor desludging programme.

Regional Health Plan

The South Australian Public Health Act requires Council to prepare and maintain a regional health plan either as an individual council or join with other Councils to develop a regional public health plan.

The Northern Areas Council, Regional Council of Goyder and Clare and Gilbert Valleys Council have formed a regional group to prepare an updated Regional Health Plan. Each Council has similar community services and needs so there is an advantage in collaborating to complete the joint Health Plan.

Each Council is contributing to the health plan with matters that relate specifically to its own area. The joint Regional Health Plan will ultimately be submitted to the SA's Chief Public Health Officer and be reviewed at least once in every five years.

Currently the Regional Health Plan is being reviewed and will be adopted by all Councils early in the next financial year.

COMPLIANCE STATEMENT

Access to Council Documents

The following documents are available for public inspection at the Council Office, 9 am to 5 pm Monday to Friday at 94 Ayr Street, Jamestown. Members of the public may purchase copies of these documents, charges are available on Council's website.

- Council Agenda
- Council Minutes
- Annual Financial Statements
- Assessment Book Entry
- CEO's Roll
- Development Application Register
- Register of Employees' Salaries, Wages and Benefits
- Register of Fees and Charges Levied by Council
- Statutory Appointments
- Strategic Plan

Freedom of Information

Requests for other information not included in the above listed documents are considered in accordance with Section 9 of the Freedom of Information Act, 1991. The Freedom of Information Act 1991 provides legislation and guidelines for access and provision of information to the public. Requests under the FOI Act 1991 for access to documents in the possession of Council should be accompanied by the relevant application fee and directed in writing to:

Freedom of Information Officer
Northern Areas Council
PO Box 120
Jamestown SA 5491

Forms are available at the Council Office. Applications will be responded to as soon as possible within the statutory 30 days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees. Zero Freedom of Information requests were received in 2020/2021.

COMPLIANCE STATEMENT CONTINUED

Amendment of Council Records

A Member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act 1999. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date. To gain access to these Council records, a member of the public must complete a Freedom of Information Request Form as indicated above outlining the records, that person wishes to inspect.

Community Lands

Council has compiled a register of all lands determined through public consultation that are not excluded from the definition of community land.

Pursuant to Section 197 (3) of the Local Government Act 1999, Council at its meeting on 14 December 2004, adopted Management Plans for all Council Community Lands.

Section 198 provides:

- A management plan may be amended by the adoption of a proposal for its amendment.
- Council may only adopt a proposal for amendment to, a management plan after the Council has carried out the public consultation that would be required if the proposal were for a new management plan.
- However, public consultation is not required if the amendment has no impact or no significant impact on the interests of the community.
- A council must give public notice of its adoption of a proposal for the amendment or revocation of a management plan.

No land has been excluded from Community Land definition during the 2020/21 year.

Competitive Tendering and Cost Effective Services

During the 2020-21 financial year there were five tenders sought through a competitive tender process through SA Tenders website.

No Tenders for Operational Works and eight for capital projects. These were Sprayed Bituminous Surfacing, Design and Construct Gladstone Pool Operating System, Gladstone Bowling Club Carpark, Spray Sealing Footpaths, Andrews Bridges Works, Design for Stage 1 of a Bike Trail project at Jamestown, James Street & James Street Kerb Installation and Load Sharing Dolly for Low Loader.

Other competitive processes included the use of The Local Government procurement portal , Vendor Panel, for a plant purchase. The item purchased was a bulldozer.

A significant number of requests for quotation, "RFQ," for a range of products and services were carried out within the policy guidelines for the value of the planned procurements. An emphasis on local purchasing was a consistent theme through Council.

COMPLIANCE STATEMENT CONTINUED

Auditor's Remuneration

Council's Audit Fees for the 2020/21 financial year were paid as follows:

Dean Newberry and Partners	\$ 6,000
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Dean Newberry and Partners commenced a five year audit term in 2020-21.

Application of Competition Principles – National Competition Policy

In accordance with the Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competitive Principles Agreement (September 2002), Council is required to review its business activities in order to determine whether Council is involved in any "significant business activities", that should be subject to the Government Business Enterprises (Competition) Act 1996.

Private Works

Council undertook private works during the year, on an ad hoc basis, dependant on workload, however this was not considered to be a significant activity under the Competition Principles.

There were no activities conducted by Council in Category 1 (i.e. business activities with an annual revenue in excess of \$2 million or employing assets in excess of \$20 million).

During the reporting period, Council did not receive any complaints regarding the application of competitive neutrality.

Procurement Policy

Council's Procurement Policy was first adopted in June 2010 and was last reviewed and adopted September 2020.

The purpose of this policy is to establish a framework of broad principles to ensure that the procurement of goods and services by Council are:

- timely
- competitive and cost effective
- of quality and fit for intended purpose
- support the efficient delivery of Council services
- are conducted transparently and ethically in accord with relevant legislation

The existence of this Policy is to provide Elected Members, Council officers, potential suppliers and buyers and the Community with a framework detailing how procurement activities will be undertaken by Council in a consistent, fair and transparent manner.

Confidentiality Provisions

Under Section 90 and 91 of the Local Government Act, the following information is provided with regard to Confidential Items raised at Council Meetings from 1 July 2020 to 30 June 2021.

Council held 12 Ordinary Meetings and 10 Special Meetings between 1 July 2020 and 30 June 2021. A total of 467 resolutions were made at these meetings of which 30 were considered "in confidence".

COMPLIANCE STATEMENT CONTINUED

The items for consideration of matters “in confidence” was as follows:

- CEO Annual Performance Review
- Tender for Bituminous Surfacing
- Chief Executive Officer Performance Review
- Review of Confidential Minutes
- Review of Council Organisational Structure
- Tender for Gladstone Pool Operating System
- Tender for Kerbside Collection Contract
- Tender for Bulldozer Replacement
- Tender – Bridge Works
- Audit Committee Confidential Minutes
- Rating Review
- Chief Executive Officer Performance Review
- 2021 Australia Day Awards
- Tender for Georgetown Hall Toilet Upgrade
- Tender for Gladstone Hall Car Park
- James Street Kerb Installation
- 2021 Georgetown Windfarm – Master Agreement Transmission Lines
- James Street
- Staff Issues
- Chief Executive Officer Quarterly Performance Review
- Consideration of Staff Matters
- Chief Executive Officer Performance Review Information
- Spalding Sports Complex
- James Street
- Spalding Sports Complex
- Load Sharing Dolly for Low Loader
- James Street – Engineers Report
- Review of Confidential Minutes
- Staff Related Matter
- Review of Confidential Minutes

Thirty Two items have been released from confidentiality during 2020/2021.

COMPLIANCE STATEMENT CONTINUED

Elector Representation

An Elector Representation Review was last undertaken in 2017.

The Review outcome was as follows:

- Council will continue to have wards. There will be four wards. Two of the wards have changed names
 Jamestown → Belalie
 Spalding → Broughton
- The total number of electors will be nine, as listed below:
 - ◊ Belalie Ward: 4 Elected Members
 - ◊ Broughton Ward: 1 Elected Member
 - ◊ Rocky River Ward: 3 Elected Members
 - ◊ Yackamoorundie Ward: 1 Elected Member

A Mayor will be elected from within the nine Elected Members elected by the voters.

Current Representation

According to the House of Assembly Roll and the Supplementary Voters Roll, as maintained by Council, there were 3399 persons eligible to vote in Local Government elections in the Northern Areas Council. Electors - 3399 – No of Wards 4 – Quota per Member – 377

The Northern Areas Council ward quota of 377 is comparable to Councils in South Australia of a similar size.

Name	Number of Electors	Number of Elected Members	Representation Quota
Coorong	3741	9	416
Kangaroo Island	3449	10	345
Goyder	2981	7	426
Yankalilla	4244	9	472

Registers, Codes and Policies

In accordance with the Local Government Act, 1999 Council must maintain certain Registers, Codes and Policies.

Registers

- Register of Interest – Primary and Ordinary Returns – Council Members
- Register of Allowances and Benefits – Council Members
- Register of Remuneration, Salaries and Benefits – Employees
- Register of Primary and Ordinary Returns – Council Chief Executive Officer and Managers

Codes

- Access to Council and Committee Meetings and Documents Code of Practice

COMPLIANCE STATEMENT CONTINUED

Policies

Council is governed by a number of policies covering operational and governance areas, which are reviewed on a regular basis.

Policies		
Asset Accounting Policy	Asset Management Policy	Budget Framework Policy
Building & Swimming Pool Inspection Policy	Caretaker Policy	Code of Practice for Access to Council and Committee Meetings and Documents Policy
Community Development	Complaints Policy	Computer Systems Usage Policy
Council Members Allowances and Benefits Policy	Credit Card Policy	Debt Recovery Policy
Disposal of Land and Assets	Emergency Management Policy	Employee Conduct Policy
Enforcement Policy	External Grant Funding Policy	Financial Hardship Policy
Fraud Corruption Misconduct & Maladministration Policy	Grievance Resolution Policy	Hardship Policy for Residential Customers of CWMS and Recycle Water Services
Informal Gatherings Policy	Internal Financial Control Policy	Investment Policy
Land Division Policy	Management of Town Development Boards and or Associations	Media Protocol
Order Making Policy	Procurement Policy	Property Access
Prudential Management Policy	Public Consultation Policy	Public Interest Disclosure Policy
Records Management Policy	Request for Service Policy Under Section 270	Risk Management Policy
Risk Management Strategy	Road and Public Place Naming	Safe Environment Policy
Sale of Council Roads	Storage and Disposal of Timber	Tourism
Training and Development Policy for Council Members	Tree Management Policy	Volunteer Policy
Work Experience/Community Service Order Schemes		

COMPLIANCE STATEMENT CONTINUED

Section 41 Committees

- CEO Performance Management Panel
- Ewart Oval Management Committee
- Georgetown Heritage Society
- Gladstone Swimming Pool Management Committee
- Jamestown Regional Hydrotherapy Pool and Gymnasium Management Committee
- Southern Flinders Regional Sports Complex Management Committee
- Stone Hut Soldiers Memorial Hall Committee
- Flinders Mobile Library Committee

Statutory Committees

- Mid North Regional Assessment Panel
- Building Fire Safety Committee

Subsidiaries

Council is a member of 1 regional subsidiary pursuant to Section 43 of the Act.

- Legatus

Legatus is made up of 15 Councils that meet regularly and make recommendations to the Local Government Association.

GOVERNANCE

Decision Making Structure of Council

1. Attendance by the Public

- Council meetings were held at the Council Chamber, 94 Ayr Street, Jamestown at 9 am on the third Tuesday of each month.
- Council's Audit Committee meet at least twice per year, and other times as appropriate.
- Council is now part of the Mid North Regional Assessment Panel which consists of the Clare and Gilbert Valley Council, Regional Council of Goyder, Wakefield Regional Council and Northern Areas Council.
- The Building Fire Safety Committee hold a minimum of 2 meeting each calendar year.
- Council and Committee meetings are open to the public and attendance at these meetings is encouraged.

Members of the public can raise a relevant topic or issue with Council, in the following manner:

POST: PO Box 120, Jamestown SA 5491

EMAIL: admin@nacouncil.sa.gov.au

2. Deputations

With the permission of the Committee Chair or Mayor, a member of the public can address Council or a Committee personally, or on behalf of a group of residents.

3. Written Requests

Any person wishing to raise a matter with Council, should communicate in writing to the Chief Executive Officer.

4. Petitions

Written petitions should be addressed to the Council on any relevant issue that is covered by Council's jurisdiction, for presentation to Council.

5. Elected Members

Members of the public can contact an Elected Member of Council to discuss any issue relevant to Council. Contact details are available on Council's website. Closing dates are applicable for Council meetings for items to be included on Agendas. Contact Council to determine these timelines.

6. Agenda & Minutes

Agendas for meetings are placed on public display at Council's Principle Office in Jamestown and satellite offices at Gladstone and Spalding, and on Council's website, no less than three clear days prior to meetings.

Minutes for Council meetings are displayed within 5 days of the meeting date.

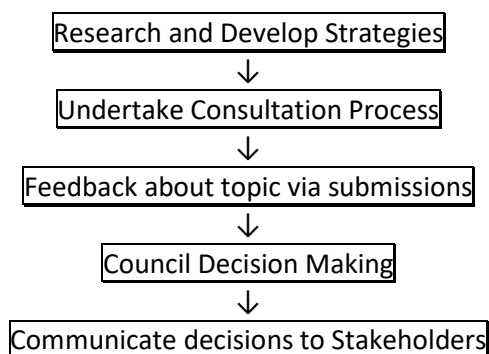
Public Consultation

The Council consults with local residents on particular issues that affect their neighbourhood.

Northern Areas Council has adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act 1999. The policy is available for inspection at the Council Offices and on Council's website.

The steps taken in implementing the Consultation and Decision Making processes are outlined below:

GOVERNANCE CONTINUED



Procurement Policy

Council's Procurement Policy and Procedure has established basic principles that allow industry to have an equal opportunity to compete and participate. They aim to protect the interest of all parties and to ensure propriety and public accountability in arranging contracts within local government. Council's Procurement Policy was reviewed in 15 September 2020.

Tenders are called if:

- (1) the expected value for any one item of plant or machinery is over \$30,000 (including GST).
- (2) the expected value for any other one item of a goods or service is over \$100,000 (including GST).

The execution of projects by contract, or the supply of goods or services, are initiated by one of four basic tendering procedures.

These being:

- Open Tenders. All interested parties are invited through open public advertisement to tender on a common basis. Tenderers are required to prove they have the necessary competence, resources, quality, occupational health and safety management and financial capacity to undertake the work.
- Selected Tenders. A limited number of organisations are directly invited to tender because of their proven experience or recognised ability to undertake particular work.
- Negotiated Tenders. A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.
- Pre-registered tenders. Expressions of interest are invited for a project. Applicants are evaluated with a small number meeting the required criteria then being invited to tender.

A copy of the Procurement Policy is available on the Council website.

Internal Review of Council Decision

Council is committed to open, responsive and accountable government. This includes providing processes by which citizens adversely affected by a decision of Council can have their grievances considered.

Many issues arise during the course of the Council activities and most are initially made verbally by telephone, face to face or in writing to a Council Officer and flow through to a customer request, or to an Elected Member.

This policy and procedure specifically addresses the manner in which request for a review of a previous decision of Council will be dealt with, and provides a fair, consistent and structured process for any party dissatisfied with a decision which has been made by Council.

GOVERNANCE CONTINUED

Any grievances are first referred to the relevant Council staff member, and on most occasions this will result in the matter being resolved satisfactorily.

No requests were received to review a Council Decision in the 2020/2021 year.

Complaints Policy and Procedure

The Complaints Policy and Procedure provides a framework to Council for receiving and responding to complaints from the public as a means of improving customer service in all areas of Council's operations.

This policy aims to ensure that issues which are the subject of complaints are addressed efficiently and effectively, to the satisfaction of the complainant.

Delegations

The Chief Executive Officer and Senior Officers have the authority from Council to make decisions on specified administrative and policy areas.

Strategic Plan

The 2020-2027 Strategic Plan focuses on Council's priorities, reflecting the desire to move into a sound financial position, to manage assets, to provide a high standard of equitable services across the Council area, and to support and develop staff.

The Plan has been developed through a process which involved:

- Consultation;
- Review and analysis of policies and documentation;
- Aligning with State and Regional plans;
- Workshop with Elected Members and Senior Staff;
- Assistance from an external Consultant

The Plan has five goals:

Goal 1 – A Thriving Local Economy

Goal 2 – A Desirable Place to Live or Visit

Goal 3 – Stronger Communities Across our Region

Goal 4 – Effective Infrastructure & Community Assets

Goal 5 – Sustained Financial Stability

Actions have been developed for each of these Goals.

GOVERNANCE CONTINUED

Key External Organisation Links

Council is a member of and involved with a number of statute and operational organisations, including:

- Legatus
- Local Government Association of SA
- Local Government Finance Authority of SA
- Northern Passenger Transport Network
- Northern and Yorke Natural Resource Management Board
- Regional Development Australia Yorke and Mid North

Council Member Allowances

The Northern Areas Council is in Group 4. The Annual allowances for the Northern Areas Council Members as at 30 June 2021 were:

Councillor	\$ 10,376 per annum
Deputy Mayor	\$12,970 per annum
Mayor	\$41,504 per annum

Council Member Allowances are paid quarterly in arrears.



Northern Areas Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Our vision is a region of safe, sustainable and inclusive communities. A Community proud of its heritage and encouraged by a promising future. A place to enjoy a rural lifestyle, where business is encouraged to grow and visitors are welcomed.



General Purpose Financial Statements

for the year ended 30 June 2021

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General Purpose Financial Statements
for the year ended 30 June 2021

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 2021 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.



Colin Byles
Chief Executive Officer

18 November 2021



Ben Browne
Mayor

18 November 2021

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

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

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

The Financial Statements incorporate 4 "primary" financial statements:

1. **A Statement of Comprehensive Income**
A summary of Council's financial performance for the year, listing all income & expenses.
2. **A Balance Sheet**
A 30 June snapshot of Council's financial position including its assets & liabilities.
3. **A Statement of Changes in Equity**
The overall change for the year (in dollars) of Council's "net wealth".
4. **A Statement of Cash Flows**
Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements (continued)

More Information...

A commentary and review of Council's financial performance and position for the 20/21 financial year can be found at Note 15 of the Financial Statements.

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Rates	2a	8,947	8,708
Statutory Charges	2b	147	111
User Charges	2c	178	180
Grants, Subsidies and Contributions	2g	3,007	2,711
Investment Income	2d	42	65
Reimbursements	2e	154	142
Other income	2f	346	325
Net Gain - Equity Accounted Council Businesses	19(a)	-	15
Total Income		<u>12,821</u>	<u>12,257</u>
Expenses			
Employee costs	3a	3,482	3,541
Materials, Contracts and Other Expenses	3b	3,128	3,647
Depreciation, Amortisation and Impairment	3c	4,752	4,867
Finance Costs	3d	250	351
Total Expenses		<u>11,612</u>	<u>12,406</u>
Operating Surplus / (Deficit)		<u>1,209</u>	<u>(149)</u>
Asset Disposal & Fair Value Adjustments	4	(566)	81
Amounts Received Specifically for New or Upgraded Assets	2g	438	140
Net Surplus / (Deficit)		<u>1,081</u>	<u>72</u>
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	(63,683)	-
Total Amounts which will not be reclassified subsequently to operating result		<u>(63,683)</u>	<u>-</u>
Amounts which will be reclassified subsequently to operating result			
Other movements	1	(200)	-
Total Amounts which will be reclassified subsequently to operating result		<u>(200)</u>	<u>-</u>
Total Other Comprehensive Income		<u>(63,883)</u>	<u>-</u>
Total Comprehensive Income		<u>(62,802)</u>	<u>72</u>

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

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	5,633	4,108
Trade & Other Receivables	5b	923	927
Inventories	5c	121	238
Total current assets		<u>6,677</u>	<u>5,273</u>
Non-current assets			
Financial Assets	6a	481	438
Equity Accounted Investments in Council Businesses	6b	–	82
Infrastructure, Property, Plant & Equipment	7a(i)	103,496	168,189
Total non-current assets		<u>103,977</u>	<u>168,709</u>
TOTAL ASSETS		<u>110,654</u>	<u>173,982</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	1,548	1,002
Borrowings	8b	3,597	2,927
Provisions	8c	1,109	1,114
Other Current Liabilities		426	–
Total Current Liabilities		<u>6,680</u>	<u>5,043</u>
Non-Current Liabilities			
Borrowings	8b	2,437	4,585
Provisions	8c	24	39
Total Non-Current Liabilities		<u>2,461</u>	<u>4,624</u>
TOTAL LIABILITIES		<u>9,141</u>	<u>9,667</u>
Net Assets		<u>101,513</u>	<u>164,315</u>
EQUITY			
Accumulated surplus		12,510	11,810
Asset revaluation reserves	9a	88,284	152,015
Other reserves	9b	719	490
Total Council Equity		<u>101,513</u>	<u>164,315</u>
Total Equity		<u>101,513</u>	<u>164,315</u>

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

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2021					
Balance at the end of previous reporting period		11,810	152,015	490	164,315
Restated opening balance		11,810	152,015	490	164,315
Net Surplus / (Deficit) for Year		1,081	–	–	1,081
Other Comprehensive Income					
- Gain (loss) on revaluation of IPP&E	7a	–	(63,683)	–	(63,683)
- Other Movements (prior year amendment)		(200)	–	–	(200)
Other comprehensive income		(200)	(63,683)	–	(63,883)
Total comprehensive income		881	(63,683)	–	(62,802)
Transfers between Reserves		(181)	(48)	229	–
Balance at the end of period		12,510	88,284	719	101,513
2020					
Balance at the end of previous reporting period		11,480	152,015	748	164,243
Restated opening balance		11,480	152,015	748	164,243
Net Surplus / (Deficit) for Year		72	–	–	72
Total comprehensive income		72	–	–	72
Transfers between Reserves		258	–	(258)	–
Balance at the end of period		11,810	152,015	490	164,315

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

Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		8,980	8,643
Statutory Charges		147	121
User Charges		178	196
Grants, Subsidies and Contributions (operating purpose)		3,007	2,733
Investment Receipts		42	65
Reimbursements		154	155
Other Receipts		863	1,823
<u>Payments</u>			
Payments to Employees		(3,923)	(3,431)
Payments for Materials, Contracts & Other Expenses		(2,342)	(4,809)
Finance Payments		(268)	(353)
Net cash provided by (or used in) Operating Activities	11b	6,838	5,143
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		438	140
Sale of Replaced Assets		34	–
Sale of Surplus Assets		–	81
Repayments of Loans by Community Groups		–	53
Distributions Received from Equity Accounted Council Businesses		82	15
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(3,466)	(4,271)
Expenditure on New/Upgraded Assets		(876)	(967)
Net Purchase of Investment Securities		(3)	(37)
Loans Made to Community Groups		(44)	–
Capital contributed to Equity Accounted Council Businesses		–	(15)
Net cash provided (or used in) investing activities		(3,835)	(5,001)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Borrowings		700	–
<u>Payments</u>			
Repayments of Borrowings		(2,178)	(174)
Net Cash provided by (or used in) Financing Activities		(1,478)	(174)
Net Increase (Decrease) in Cash Held		1,525	(32)
plus: Cash & Cash Equivalents at beginning of period		4,108	4,140
Cash and cash equivalents held at end of period	11a	5,633	4,108
Additional Information:			
plus: Investments on hand – end of year	6a	163	160
Total Cash, Cash Equivalents & Investments		5,796	4,268

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

Notes to and forming part of the Principal Financial Statements for the year ended 30 June 2021

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Critical Accounting Estimates

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

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

1.3 Estimates and assumptions

COVID-19 is not expected to have a significant financial impact on Council operations. It is expected further financial impacts will flow into the 2021/22 financial year but these have been largely taken into account during the development of the budget process for 2021/22. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

1.4 Rounding

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

(2) The Local Government Reporting Entity

Northern Areas Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 94 Ayr Street, Jamestown, SA 5491. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

(3) Income Recognition

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

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

	Cash Payment Received	Annual Allocation	Difference
2018/19	\$2,370,039	\$1,991,943	+ \$378,096
2019/20	\$1,850,352	\$1,795,389	+ \$54,963
2020/21	\$1,797,717	\$1,813,376	- \$15,659

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

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

Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Northern Areas Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

5.2 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

(6) Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Plant, Furniture & Equipment

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

Building & Other Structures

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

Other Assets

Library Books	10 to 15 years
---------------	----------------

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

(7) Payables**7.1 Goods & Services**

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.77% (2020, 0.50%)

Weighted avg. settlement period 9.3 years (2020, 9.3 years)

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.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Provisions for Reinstatement, Restoration and Rehabilitation

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

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

(11) Leases

Accounting policy applicable from 01 July 2019

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

10.1 Council as a lessee

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets

Northern Areas Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(12) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures* and set out in Note 19.

As of 1 July 2020 Council has elected to derecognise their interest in the Central Local Government Region of SA due to Council assessing their interest in the subsidiary is not material. The effect of the derecognising the interest did not have a material impact on the financial statements.

As of 30 June 2021 Council's equity interest in the Central Local Government Region is \$61,375.

(13) 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.

(14) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

Amendments to AASB 16 Covid-19 Related Rent Concessions

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

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

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

• AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

(15) Comparative Figures

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

(16) Other Movements

This other movement represents the realignment of the equity accounts as a result of immaterial prior period non-cash errors in relation to a combination of Equity investment in other Joint Ventures, CWMS reserve movements and Asset Revaluation Reserve movements.

(17) Disclaimer

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income

\$ '000	2021	2020
(a) Rates		
General Rates		
General Rates	7,431	7,213
Total General Rates	7,431	7,213
Other Rates (Including Service Charges)		
Natural Resource Management Levy	276	289
Waste Collection	414	399
Community Wastewater Management Systems	860	837
Total Other Rates (Including Service Charges)	1,550	1,525
Other Charges		
Penalties for Late Payment	41	46
Legal & Other Costs Recovered	4	1
Total Other Charges	45	47
Less: Discretionary Rebates, Remissions & Write Offs	(79)	(77)
Total Rates	8,947	8,708
(b) Statutory Charges		
Development Act Fees	59	42
Town Planning Fees	32	14
Animal Registration Fees & Fines	38	40
Sundry	18	15
Total Statutory Charges	147	111
(c) User Charges		
Cemetery/Crematoria Fees	36	48
Hall & Equipment Hire	29	26
Property Lease	12	10
Sundry	13	14
Waste Management	37	36
Road Rents	11	11
Washdown Bay	40	35
Total User Charges	178	180
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	22	42
- Banks & Other	-	2
- Loans to Community Groups	20	21
Total Investment Income	42	65

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
(e) Reimbursements		
Roadworks	29	15
NRM Costs	9	4
Other	116	123
<u>Total Reimbursements</u>	<u>154</u>	<u>142</u>
(f) Other income		
Insurance & Other Recoupments - Infrastructure, IPP&E	15	10
Rebates Received	71	35
Sundry	9	5
Section 41 Committees	251	275
<u>Total Other income</u>	<u>346</u>	<u>325</u>
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	438	140
Total Amounts Received Specifically for New or Upgraded Assets	<u>438</u>	<u>140</u>
Other Grants, Subsidies and Contributions	314	–
Untied - Financial Assistance Grant	1,798	1,850
Roads to Recovery	612	612
Library and Communications	19	19
Sundry	264	230
Total Other Grants, Subsidies and Contributions	<u>3,007</u>	<u>2,711</u>
<u>Total Grants, Subsidies, Contributions</u>	<u>3,445</u>	<u>2,851</u>
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	926	612
State Government	1,817	1,870
Other	702	369
Total	<u>3,445</u>	<u>2,851</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses

\$ '000	Notes	2021	2020
(a) Employee costs			
Salaries and Wages		3,344	3,279
Employee Leave Expense		308	416
Superannuation - Defined Contribution Plan Contributions	18	273	263
Superannuation - Defined Benefit Plan Contributions	18	61	68
Workers' Compensation Insurance		86	88
Less: Capitalised and Distributed Costs		(590)	(573)
Total Operating Employee Costs		3,482	3,541
Total Number of Employees (full time equivalent at end of reporting period)		47	48
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		6	12
Bad and Doubtful Debts		1	3
Elected Members' Expenses		139	143
Election Expenses		1	2
Subtotal - Prescribed Expenses		147	160
(ii) Other Materials, Contracts and Expenses			
Contractors		650	1,032
Energy		103	141
Legal Expenses		66	39
Levies Paid to Government - NRM levy		274	288
Insurance		453	433
Maintenance - Infrastructure		762	853
Maintenance - Plant & Equipment		363	366
Fuel - Plant & Equipment		308	405
Libraries		94	93
Waste Management		578	515
Section 41 Expenses		58	94
IT & Communications		141	158
Water		160	177
Community Grants/Donations		273	386
Less: Capitalised and Distributed Costs		(1,302)	(1,493)
Subtotal - Other Material, Contracts & Expenses		2,981	3,487
Total Materials, Contracts and Other Expenses		3,128	3,647

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	2021	2020
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	470	463
Infrastructure		
- Stormwater Drainage	223	102
- CWMS	337	347
- Roads	2,909	3,311
- Bridges	281	105
Plant & Equipment	507	501
Furniture & Fittings	25	38
Subtotal	4,752	4,867
<u>Total Depreciation, Amortisation and Impairment</u>	<u>4,752</u>	<u>4,867</u>
(d) Finance Costs		
Interest on Loans	230	331
Bank Fees	20	20
<u>Total Finance Costs</u>	<u>250</u>	<u>351</u>

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	34	–
Gain (Loss) on Disposal	34	–
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	–	81
Less: Carrying Amount of Assets Sold	(600)	–
Gain (Loss) on Disposal	(600)	81
<u>Net Gain (Loss) on Disposal or Revaluation of Assets</u>	<u>(566)</u>	<u>81</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$ '000	2021	2020
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	1,521	2,286
Deposits at Call	4,112	1,822
<u>Total Cash & Cash Equivalent Assets</u>	<u>5,633</u>	<u>4,108</u>
(b) Trade & Other Receivables		
Rates - General & Other	560	593
Accrued Revenues	1	17
Debtors - General	196	139
GST Recoupment	109	125
Loans to Community Organisations	57	53
Subtotal	<u>923</u>	<u>927</u>
<u>Total Trade & Other Receivables</u>	<u>923</u>	<u>927</u>
(c) Inventories		
Stores & Materials	46	36
Trading Stock	75	202
<u>Total Inventories</u>	<u>121</u>	<u>238</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Non-Current Assets

\$ '000	2021	2020
(a) Financial Assets		
Receivables		
Loans to Community Organisations	318	278
Subtotal	318	278
Total Receivables	318	278
Other Financial Assets (Investments)		
Fixed term Deposits - Section 41 Committees	163	160
Total Other Financial Assets (Investments)	163	160
Total Financial Assets	481	438

\$ '000	Notes	2021	2020
(b) Equity Accounted Investments in Council Businesses			
Central Local Government Association	19	–	82
Total Equity Accounted Investments in Council Businesses		–	82

Notes to the Financial Statements

for the year ended 30 June 2021

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

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

\$ '000	Fair Value Level	as at 30/06/20				Asset movements during the reporting period						as at 30/06/21			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Other	2	8,354	–	–	8,354	–	–	–	–	–	151	8,505	–	–	8,505
Buildings & Other Structures	2	2,092	178	(372)	1,898	35	54	–	(80)	–	149	2,069	–	–	2,069
Buildings & Other Structures Infrastructure	3	25,723	2,339	(13,933)	14,129	373	244	(1)	(378)	–	125	28,837	–	(14,773)	14,064
- Stormwater Drainage	3	3,509	1,371	(896)	3,984	25	25	(4)	(223)	–	6,018	13,341	50	(3,605)	9,786
- CWMS	3	17,116	1,559	(5,423)	13,252	15	23	(2)	(337)	(1,910)	–	19,046	38	(8,040)	11,044
- Roads	3	149,560	11,290	(41,574)	119,276	330	2,620	(579)	(2,909)	(67,846)	–	79,984	2,951	(31,701)	51,234
- Bridges	3	9,423	1,073	(6,680)	3,816	–	63	(14)	(281)	(370)	–	14,979	63	(11,828)	3,214
Plant & Equipment		–	9,614	(6,250)	3,364	–	556	–	(520)	–	–	–	10,041	(6,641)	3,400
Furniture & Fittings		–	489	(373)	116	19	72	(1)	(25)	–	–	–	578	(398)	180
Total Infrastructure, Property, Plant & Equipment		215,777	27,913	(75,501)	168,189	797	3,657	(601)	(4,753)	(70,126)	6,443	166,761	13,721	(76,986)	103,496
Comparatives		215,761	23,005	(70,948)	167,818	1,009	4,235	(5)	(4,867)	–	–	215,777	27,913	(75,501)	168,189

Notes to the Financial Statements

for the year ended 30 June 2021

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

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

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

Transfers between fair value hierarchy levels

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

Other Information

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

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

Highest and best use

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

Transition to AASB 13 - Fair Value Measurement

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

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.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

Land & land Improvements were revalued as at 30 June 2021 by Mid North Valuations. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2024/25 financial year.

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2021 by Mid North Valuations. All acquisitions made after this time are recorded at cost. The next scheduled revaluation date will be during the 2024/25 financial year.

Infrastructure

Roads, Kerb and Gutter, Footpaths

Transportation assets were valued by Tonkin Consulting Pty Ltd at depreciated current replacement cost as at 1 July 2020, based on actual costs incurred during the reporting period ended 30 June 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation date will be during the 2024/25 financial year.

Stormwater drainage infrastructure was valued by Tonkin Consulting Pty Ltd as at 1 July 2020 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation date will be during the 2024/25 financial year.

Community wastewater management system infrastructure was valued by Tonkin Consulting Pty Ltd as at 1 July 2020 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

Bridges were revalued as at 1 July 2020 by Tonkin Consulting Pty Ltd. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2024/25 financial year.

Plant & Equipment

These assets are recognised on the cost basis.

All other Assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities

\$ '000	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a) Trade and Other Payables				
Goods & Services	696	–	677	–
Payments Received in Advance	617	–	75	–
Accrued Expenses - Employee Entitlements	129	–	111	–
Accrued Expenses - Finance Costs	31	–	49	–
Accrued Expenses - Other	75	–	90	–
<u>TOTAL Trade and Other Payables</u>	<u>1,548</u>	<u>–</u>	<u>1,002</u>	<u>–</u>

(b) Borrowings

Loans	3,597	2,437	2,927	4,585
<u>TOTAL Borrowings</u>	<u>3,597</u>	<u>2,437</u>	<u>2,927</u>	<u>4,585</u>

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

(c) Provisions

Employee Entitlements - Long Service Leave	670	24	1,114	39
Employee Entitlements - Annual Leave	439	–	–	–
<u>TOTAL Provisions</u>	<u>1,109</u>	<u>24</u>	<u>1,114</u>	<u>39</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves

\$ '000	as at 30/06/20		Transfers	Impairments	as at 30/06/21	
	Opening Balance	Increments (Decrements)			Closing Balance	
(a) Asset Revaluation Reserve						
Land - Other	7,685	151	–	–		7,836
Buildings & Other Structures Infrastructure	10,381	274	–	–		10,655
- Stormwater Drainage	2,805	6,018	–	–		8,823
- CWMS	7,029	(1,910)	–	–		5,119
- Roads	120,856	(67,846)	–	–		53,010
- Bridges	3,211	(370)	–	–		2,841
JV's / Associates - Other Comprehensive Income	48	–	(48)	–		–
Total Asset Revaluation Reserve	152,015	(63,683)	(48)	–		88,284
Comparatives	152,015	–	–	–		152,015

\$ '000	as at 30/06/20		Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/21	
	Opening Balance					Closing Balance	
(b) Other Reserves							
Jamestown CWMS Reserve	–	162	–	–	–		162
Laura CWMS Reserve	341	54	–	–	–		395
Gladstone CWMS Reserve	149	13	–	–	–		162
Total Other Reserves	490	229	–	–	–		719
Comparatives	650	45	(205)	–	–		490

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Jamestown CWMS Reserve

The Jamestown CWMS reserve is used to record the holding of funds for future Jamestown Community Wastewater Management System development (formally STEDS).

Laura CWMS Reserve

The Laura CWMS reserve is used to record the holding of funds for future Laura Community Wastewater Management System development (formally STEDS).

Gladstone CWMS Reserve

The Gladstone CWMS reserve is used to record the holding of funds for future Gladstone Community Wastewater Management System development (formally STEDS).

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Assets Subject to Restrictions

\$ '000	2021	2020
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Cash & Financial Assets

CWMS	719	730
Total Cash & Financial Assets	719	730

<u>Total Assets Subject to Externally Imposed Restrictions</u>	719	730
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CWMS - LGFA reserve from separate rates which remain unexpended on CWMS maintenance, upgrade and replacement over the period of each individual scheme.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
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(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	5,633	4,108
Balances per Statement of Cash Flows		5,633	4,108

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

Net Surplus/(Deficit)		1,081	72
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		4,752	4,867
Equity Movements in Equity Accounted Investments (Increase)/Decrease		–	(15)
Grants for capital acquisitions treated as Investing Activity		(438)	(140)
Net (Gain) Loss on Disposals		566	(81)
Non-Cash Equity Adjustment		(200)	–
		5,761	4,703
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		8	749
Net (Increase)/Decrease in Inventories		117	(66)
Net Increase/(Decrease) in Trade & Other Payables		546	(338)
Net Increase/(Decrease) in Unpaid Employee Benefits		(459)	95
Net Increase/(Decrease) in Other Provisions		439	–
Net Increase/(Decrease) in Other Liabilities		426	–
Net Cash provided by (or used in) operations		6,838	5,143

(c) Financing Arrangements

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

Bank Overdrafts	150	150
Corporate Credit Cards	20	20
LGFA Cash Advance Debenture Facility	1,761	1,150

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions/Activities										
Economic Development	798	182	310	279	488	(97)	462	147	664	674
Protection of the Environment	2	2	5	5	(3)	(3)	–	–	–	–
Sport & Recreation	351	328	1,107	1,227	(756)	(899)	61	150	15,926	15,767
Transport & Communication	542	1,144	4,760	5,071	(4,218)	(3,927)	1,131	1,144	62,711	127,551
Other Purposes	253	296	525	713	(272)	(417)	–	–	6,628	6,491
Mining, Manufacturing & Construction	53	29	213	212	(160)	(183)	–	–	–	–
Community Amenities	110	111	2,070	2,147	(1,960)	(2,036)	–	7	14,122	14,347
Health & Welfare	56	57	75	86	(19)	(29)	–	–	1,095	1,404
Public Order & Safety	38	40	72	74	(34)	(34)	–	–	282	286
Administration	10,490	10,289	2,475	2,592	8,015	7,697	1,353	1,403	9,128	7,462
Total Functions/Activities	12,693	12,478	11,612	12,406	1,081	72	3,007	2,851	110,556	173,982

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

ECONOMIC DEVELOPMENT

Regional Development, Support to Local Businesses, Tourism, Caravan Parks, Community Grants and Other Economic Development.

PROTECTION OF THE ENVIRONMENT

Agricultural Services and Other Environment.

SPORT AND RECREATION

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

TRANSPORT AND COMMUNICATION

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

OTHER PURPOSES

Depots, Plant Maintenance & Operating, Minor Plant, Work Health & Safety, Training, Loan Interest, Weed Spraying, Vandalism.

MINING, MANUFACTURING & CONSTRUCTION

Building Control, Clean Air/Pollution Control, Litter Control, Health Inspections.

COMMUNITY AMENITIES

Town Planning, Waste/Recycling Collection and Disposal, Green Waste, Transfer Stations, Other Waste Management, Street Cleaning, Street Lighting, Cemeteries/Crematoria, Public Conveniences, Street Cleaning, Community Waste Water Management Systems (CWMS).

HEALTH & WELFARE

Northern Passenger Transport Scheme, Health Centres, Youth programs, Aged Homes support, Community support programs.

PUBLIC ORDER & SAFETY

Dog Control, Fire Prevention, Emergency Services Levy.

COUNCIL ADMINISTRATION

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 0.25% and 0.25% (2020: 0.25% and 1.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 9% (2020: 9%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy:

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 1.3% and 6.7% (2020: 2.2% and 6.7%).

Carrying Amount:

Approximates fair value.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	5,633	–	–	5,633	5,633
Receivables	454	228	91	773	681
Other Financial Assets	163	–	–	163	163
Total Financial Assets	6,250	228	91	6,569	6,477
Financial Liabilities					
Payables	696	–	–	696	696
Current Borrowings	3,597	–	–	3,597	3,597
Non-Current Borrowings	–	3,037	70	3,107	2,437
Total Financial Liabilities	4,293	3,037	70	7,400	6,730
2020					
Cash & Cash Equivalents	4,108	–	–	4,108	4,108
Receivables	430	172	93	695	612
Other Financial Assets	242	–	–	242	242
Total Financial Assets	4,780	172	93	5,045	4,962
Financial Liabilities					
Payables	677	–	–	677	677
Current Borrowings	2,927	–	–	2,927	2,927
Non-Current Borrowings	–	4,455	1,597	6,052	4,585
Total Financial Liabilities	3,604	4,455	1,597	9,656	8,189

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	1.80%	–	2.20%	1,850
Fixed Interest Rates	4.86%	6,034	5.25%	5,662
		<u>6,034</u>		<u>7,512</u>

Net Fair Value

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

Risk Exposures

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

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

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

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

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2021	2020
---------	------	------

(a) Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	190	95
Infrastructure	105	350
Plant & Equipment	862	489
	1,157	934

These expenditures are payable:

Not later than one year	1,157	934
	1,157	934

(b) Other Expenditure Commitments

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

Maintenance Contracts	2,232	451
	2,232	451

These expenditures are payable:

Not later than one year	487	231
Later than one year and not later than 5 years	1,745	220
	2,232	451

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Financial Indicators

\$ '000	Indicator 2021	Indicators 2020	Indicators 2019
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating Surplus	9.4%	(1.2)%	(0.1)%
Total Operating Income			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	16%	34%	32%
Total Operating Income			
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjustments to Ratios			
<i>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.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus	9.1%	(1.7)%	(3.1)%
Total Operating Income			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities	24%	45%	42%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Net Asset Renewals	79%	96%	105%
Infrastructure & Asset Management Plan required expenditure			
<i>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.</i>			

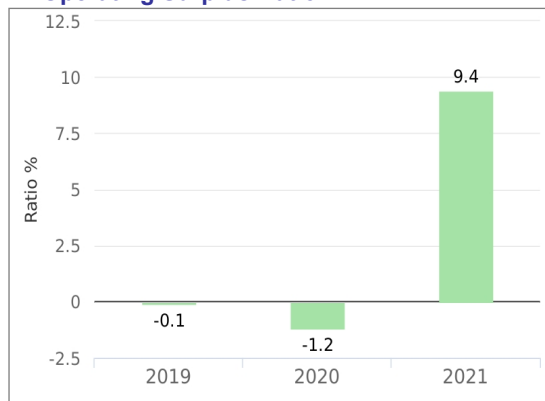
Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Financial Indicators (continued)

Financial Indicators - Graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

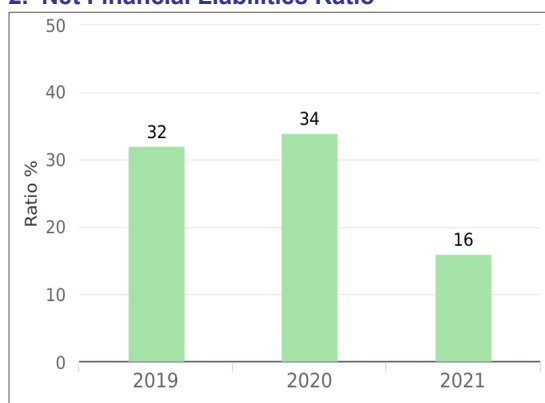
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 9.4%

Council's Target range is 0-10%. This was adopted by Council in December 2020 as part of reviewing the Long Term Financial Plan (LTFP).

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

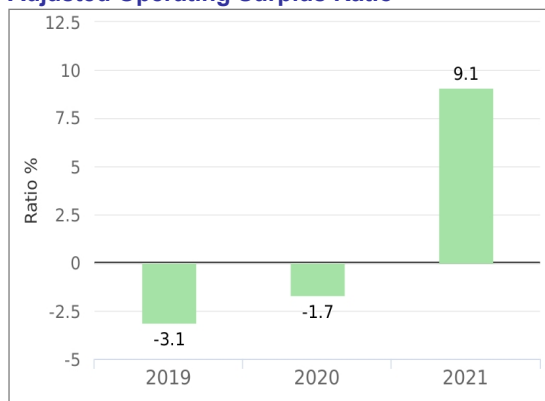
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2020/21 result

2020/21 ratio 16%

Council's Net Financial Liabilities as a proportion of Council's annual operating income will peak in 2021-22 and is expected to reduce over the remaining life of the LTFP as our cash position improves. Council's Target range is 0-50%

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

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

Commentary on 2020/21 result

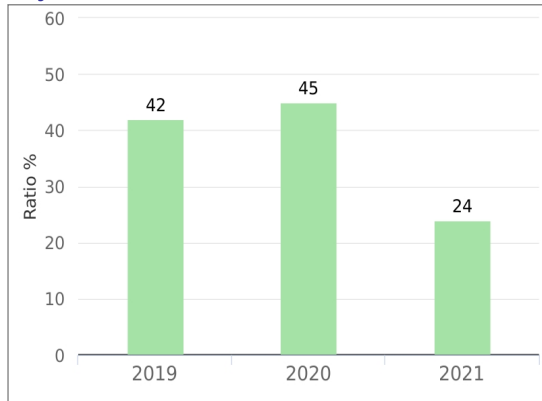
2020/21 ratio 9.1%

A breakeven position was budgeted to occur in the 2020/21 Budget. The continued improving trend will see the Operating Surplus Ratio exceed the target range by 2026/27.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 15. Financial Indicators (continued)

Adjusted Net Financial Liabilities Ratio



Purpose of adjusted net financial liabilities ratio

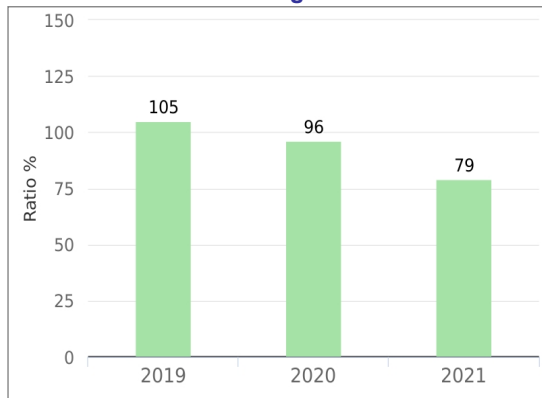
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 24%

2021/22 Financial Assistance Grants were received in advance in June 2021 and amounted to \$967,542.

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

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

Commentary on 2020/21 result

2020/21 ratio 79%

Budgeted renewal of existing assets over the life of the current LTFP averages 100% which is within Council's target range of 95-105%

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Uniform Presentation of Finances

\$ '000	2021	2020
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	12,821	12,257
less Expenses	(11,612)	(12,406)
Operating Surplus / (Deficit)	1,209	(149)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(3,466)	(4,271)
add back Depreciation, Amortisation and Impairment	4,752	4,867
add back Proceeds from Sale of Replaced Assets	34	–
	1,320	596
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(876)	(967)
add back Amounts Received Specifically for New and Upgraded Assets	438	140
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	–	81
	(438)	(746)
Net Lending / (Borrowing) for Financial Year	2,091	(299)

Note 17. Leases

Council does not have any Leases.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. 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 2020/21; 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 2019/20) 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 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. Interests in Other Entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2021	2020	2021	2020
Council's Share of Net Income				
Joint Ventures	–	15	–	82
Total Council's Share of Net Income	–	15	–	82

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2021	2020
Central Local Government Region of SA Inc.	Local Government Regional Collaboration	–	82
Total Carrying Amounts - Joint Ventures & Associates		–	82

Central Local Government Region of SA Inc.

Established in 1988, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020	2021	2020
Central Local Government Region of SA Inc.	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Central Local Government Region of SA Inc.	
	2021	2020
Opening Balance	82	67
Share in Operating Result	–	15
Adjustments to Equity	(82)	–
Council's Equity Share in the Joint Venture or Associate	–	82

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

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

Notes to the Financial Statements

for the year ended 30 June 2021

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

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 2,203 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$249,301 (2020: \$239,483) at reporting date.

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

4. LEGAL EXPENSES

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

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

Summary on who Key Management Personnel are here...

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, 13 persons were paid the following total compensation.

\$ '000	2021	2020
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	721	788
Long-Term Benefits	–	15
Total	721	803

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

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	–	1
Total	–	1

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Independent Auditor's Report

To the members of the Northern Areas Council

Opinion

We have audited the accompanying financial report of the Northern Areas Council (the Council), which comprises the statement of financial position as at 30 June 2021, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

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

Council's Responsibility for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY



SAMANTHA CRETEN
PARTNER

Signed on the 25th day of November 2021,
at 214 Melbourne Street, North Adelaide, South Australia, 5006

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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE NORTHERN AREAS COUNCIL

Opinion

In our opinion, the Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2020 to 30 June 2021.

Basis for opinion

We have audited the Internal Controls of the Northern Areas Council (the Council) under the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2020 to 30 June 2021 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

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

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

DEAN NEWBERY



SAMANTHA CRETEN
PARTNER

Signed on the 25th day of November 2021
at 214 Melbourne Street, North Adelaide, South Australia, 5006

General Purpose Financial Statements

for the year ended 30 June 2021

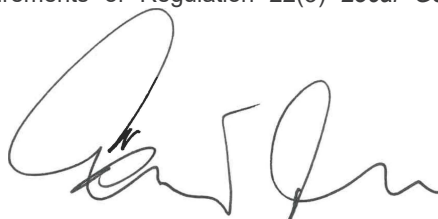
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Northern Areas Council for the year ended 30 June 2021, the Council's Auditor, Dean Newbery 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*.



Colin Byles
Chief Executive Officer



Ian Swan
Presiding Member, Audit Committee

Date: 18 November 2021

HEAD OFFICE

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www.deannewbery.com.au

Dean Newbery
ABN: 30 164 612 890

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Northern Areas Council for the year ended 30 June 2021, 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*.



SAMANTHA CRETEN

Partner

DEAN NEWBERY

Dated this 25th day of November 2021