

Northern Areas Council 2022/23 Annual Report



NORTHERN AREAS
COUNCIL

Acknowledgement of Country

We acknowledge and pay respect to the Nukunu and Ngadjuri people – Traditional Owners of the land the Northern Areas Council occupies – to their Elders past, present and emerging, and we extend that respect to other Aboriginal and Torres Strait Islander people living in or visiting the district.



Message from the Mayor

Northern Areas Council experienced significant changes in the 2022/23 year.

The November 2022 local government elections saw four new Council Members join the team: first time Councillors Tom Malone and Fiona Hockey and two returning Councillors John Barberien and Hank Langes. Myself, Denise Higgins, Ben Browne, Ian Pomeranke and Glan Moore were re-elected. After the first meeting of the new Council, Councillor Ben Browne resigned and we were joined by another first time Councillor, Keith Pluckrose, after a supplementary election.

It is fair to say the first half of the year was also one of significant challenge. In July 2022, the South Australian Ombudsman released a report in relation to our former CEO and, in November 2022, a follow up 'own initiative investigation' report was issued that was critical of Council's handling of the former CEO's employment. Council took these matters extremely seriously and, in response to the Ombudsman's recommendations, has:

- Undertaken further training regarding misconduct and maladministration;
- Implemented a policy for dealing with bullying, harassment and sexual harassment;
- Reviewed and updated our Grievance Resolution Policy.

As a team, we have undergone significant training as part of our roles and we are working well together, with a focus on creating a bright future for Northern Areas.

From July 2022 until January 2023, Acting CEO Peter Ward helped steer the workforce and manage Council through the caretaker period and elections. In January 2023, Council appointed Kelly Westell as new CEO. We have a lot of work to do and are committed to getting things right and working with the community to kick goals for our region.

A series of community forums was launched in 2023, allowing Council to forge stronger ties

with community members and town committees and find out first-hand their priorities for our region. Feedback from these forums will help inform our refreshed Strategic Plan, which we are aiming to have ready for consultation by March 2024.

We have a remarkable community, with many town committees driving projects that enhance the quality of life for our people. In 2022, the latest Census data was released and this showed our volunteer base remains strong. Like many regions, Northern Areas volunteering dropped off post-COVID but it remains at 34.4% - double the State's volunteering rate. The incredible efforts of those who volunteer on town committees, at sports clubs, in events and the arts really set Northern Areas apart.

Northern Areas is a large region with a small ratepayer base. It is clear Council will achieve the best results when it works with the community. We need to work as a team - Council Members, staff and the community - as much as we can to make this a region where we want to live, work and enjoy life.

It is important we acknowledge the former Council Members who made contributions to our community over many years: former Mayors Ben Browne and Denis Clark, former Councillors Kathy Webb, Merv Robinson and Leon Pollard – thank you so much for your work. Thanks also to Peter Ward for his time as Acting CEO and to Manager Corporate Services David Rattley who has, on occasion, stepped up into the Acting CEO role despite his workload.

In closing, I would also like to thank the employees of Council who continued to keep work progressing despite the challenges and change and, of course, our community which is always working hard to enhance our region.

I hope you enjoy reading this 2022/23 Annual Report.

Sue Scarman
Mayor

Contents

ACKNOWLEDGEMENT OF COUNTRY	2
MESSAGE FROM THE MAYOR	3
CONTENTS	4
COUNCIL PROFILE	5
OUR VISION	6
STRATEGIC MANAGEMENT PLAN	6
OUR ELECTED COUNCIL	7
COUNCIL MEETING ATTENDANCE	8
COUNCIL ALLOWANCES	8
BEHAVIOURAL STANDARDS	9
COUNCIL TRAINING	9
ELECTED MEMBER GIFTS, TRAVEL AND BENEFITS	9
REPRESENTATION – QUOTA AND REVIEW	10
OUR PEOPLE	11
EXECUTIVE REMUNERATION	11
EMPLOYEE GIFTS AND TRAVEL	11
PERFORMANCE AGAINST STRATEGIC MANAGEMENT PLAN	12
Overview	12
Goal - A thriving local economy	13
Goal – A desirable place to live or visit	14
Goal – Stronger communities across our region	17
Goal – Effective infrastructure and community assets	23
Goal – Sustained financial stability	25
GOVERNANCE & INFORMATION	29
Confidentiality Provisions	29
Registers & Codes	30
Freedom of Information	30
Section 270 reviews	30
Policies	30
Audit & Risk Committee: Annual Review and Report	32
ANNUAL FINANCIAL STATEMENTS	33
LEGATUS GROUP ANNUAL REPORT 2022/23	77

COUNCIL PROFILE

Northern Areas Council is approximately 200km north of Adelaide within the ancestral lands of the Ngadjuri and Nukunu First Nations people.

The Northern Mount Lofty Ranges and Southern Flinders Ranges reach into our district, making it a place of stunning landscapes that provide a backdrop to historic towns, vibrant communities and important farming enterprises.

The Council area is divided into four Wards:

- Belalie (4 Elected Members)
- Rocky River (3 Elected Members)
- Yackamoорundie (1 Elected Member)
- Broughton (1 Elected Member)

The Council covers an area of 3,070km², and has a total of 2,204km of roads of which 144km 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, Gladstone, Laura and Spalding are the largest towns, with the smaller towns of Caltowie, Georgetown, Gulnare, Narridy, Stone Hut, Tarcowie and Yacka also within the district. Council's close network of towns offers a range of opportunities for shopping, recreation, employment, health and education.

Snapshot:

Population	4,559
Our area	3,070km ²
Rateable properties	4,262
Total road network	2,204 km
Number of electors	3,509
Elected Members	9
Employees – FTE	52

Together, Council and the community have built and maintained infrastructure such as recreation facilities and town halls to support the activities of local communities and generate interest and income from visitors and tourists.

The Council area hosts a number of significant events, including the Jamestown Fly-In and Air Spectacular, Caltowie Chilled Out 'n' Fired Up Music Festival, The Laura Fair, Jamestown Show and Jamestown Races as well as a number of local community events.

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.



Our Vision

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.

Strategic Management Plan

A review of Council's 2020-2027 Strategic Management Plan is under way in 2023/24 and this will include community engagement to ensure Council's plans align with community expectations. In the meantime, this annual report is structured to show progress against the existing Strategic Management Plan which remains Council's guiding document.

The plan is the core of Council's suite of strategic suite of documents which includes our Annual Business Plan & Budget, Long Term Financial Plan and Asset Management Plans.

The plan's five goals reflect the strategic priorities determined by Council in the 2019-20 year:

A Thriving Local Economy

- Encourage investment in local business & industry
- Support local business to drive local employment opportunities

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

Stronger Communities Across our Region

- Secure sustainable provision and enhancement of services to community
- Support capacity building of community groups

Effective Infrastructure & Community Assets

- Enhanced local & regional road network
- Effective management of community assets

Sustained Financial Stability

- Maintain council's financial sustainability
- Pursue productivity improvements & cost reduction initiatives

Our Elected Council

Northern Areas Council is made up of nine Council Members – including a Mayor chosen by the Council. Changes to the *Local Government Act 1999* mean the Mayor will be elected directly by the community from the 2026 local government elections.

Council is made up of four wards:

- Belalie represented by four Council Members (Glan Moore, Hank Langes, Fiona Hockey, Tom Malone)
- Rocky River represented by three Council Members (Sue Scarman, Denise Higgins, John Barberien)
- Yackamoорundie represented by one Council Member (Ian Pomerence)
- Broughton represented by one Council Member (Keith Pluckrose)

After the election, there were a number of changes to the elected representation. Sitting Council Members Merv Robinson, Denis Clark and Leon Pollard did not stand for re-election, while Kathy Webb was unsuccessful.

Council Members Ben Browne, Denise Higgins, Glan Moore, Ian Pomerence and Sue Scarman were re-elected, while joining Council were new Council Members Tom Malone, Hank Langes, John Barberien and Fiona Hockey. Councillors Barberien and Langes had previously served on Council.

At the first ordinary meeting of the new Council, Councillor Ben Browne resigned and a supplementary election was held for the Broughton Ward, with Keith Pluckrose winning the role in March 2023.



Northern Areas Councillors;

Back, from left: Ian Pomerence, Glan Moore, John Barberien, Hank Langes

Front, from left: Tom Malone, Denise Higgins (Deputy Mayor), Sue Scarman (Mayor), Fiona Hockey and Keith Pluckrose.

Council Meeting Attendance

Council meeting attendances 1 July to 10 November 2022 (close of polling for Council elections):

Member	Ordinary Meetings held	Ordinary Meetings attended	Special Meetings held	Special Meetings attended
Ben Browne (Mayor)	4	4	4	4
Merv Robinson (Deputy Mayor)	4	4	4	4
Denis Clark	4	4	4	4
Denise Higgins	4	3	4	4
Glan Moore	4	3	4	2
Leon Pollard	4	2	4	3
Ian Pomeranke	4	1	4	3
Sue Scarman	4	4	4	4
Kathy Webb	4	4	4	4

Council meeting attendances – 12 November 2022 to 30 June 2023:

Member	Ordinary Meetings held	Ordinary Meetings attended	Special Meetings held	Special Meetings attended
Sue Scarman (Mayor)	8	8	3	3
Denise Higgins	8	8	3	3
Glan Moore	8	7	3	3
Ian Pomeranke	8	7	3	2
Tom Malone	8	8	3	3
Hank Langes	8	7	3	3
John Barberien	8	8	3	3
Fiona Hockey	8	7	3	3
Keith Pluckrose *	8	5	3	2

* Cr Pluckrose was elected at a supplementary election held in March 2023. Cr Browne attended the first meeting of the new Council but left shortly after the meeting started and resigned his position.

Council Allowances

Allowances after the November 2022 elections were determined by the South Australian Remuneration Tribunal in line with the *Local Government Act 1999*. The table below shows allowances applicable for 2022/23:

Mayor	\$43,820
Deputy Mayor	\$13,694
Council Members	\$10,955

An additional allowance in the form of a sitting fee is payable to a Councillor who is a presiding member of a Council Committee: \$110 per

meeting limited to an aggregate amount of allowance of \$660 per annum.

In 2022/23, an allowance in the form of a sitting fee was payable to an independent member and Chair of the Audit & Risk Committee. This allowance was \$396.20 and \$800 respectively. Councillors are not paid an allowance for this committee. A travel allowance for 'eligible journeys' (as defined in Regulation 3 of the *Local Government Members Allowances and Benefits Regulations 1999*) is available at the rate per kilometre prescribed in the *Income Tax Assessment act 1936*.

Behavioural Standards

Behavioural Standards for Council Members were established as part of the reform of the *Local Government Act 1999* and form part of a conduct management framework pursuant to section 75E of the Act.

Council Members are required to act with integrity, serve the overall public interest and provide community leadership and guidance. The new Behavioural Standards set out mandatory rules around the minimum standards of behaviour that are expected of all Council Members in the performance of their official functions and duties.

In December 2022, Northern Areas Council also adopted a Behavioural Management Policy that

forms part of the framework for council members and sets out the approach to the management of complaints about the behaviour of Council Members.

For the 2022/23 year there were no contraventions of:

- Behavioural Standards or Policy by members of Council;
- Member integrity / behaviour provisions of the Act;
- Section 75G (health and safety duties)

As such, no costs were incurred by Council relating to dealing with complaints.

Council training

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.

Following the Local Government elections a series of mandatory training modules for Council Members was delivered, with all Members completing the required sessions.

Mandatory post-election modules:

- Council Leadership Workshop
- Civil & Legal Training
- Strategy & Finance Training
- Behavioural Standards Training
- Presiding Member Training

Other training undertaken:

- Deputy Mayor Training
- Audit & Risk Training

Elected Member gifts, travel and benefits

There were no gifts over the value of \$50 provided to Council Members in 2022/23 that were funded in whole or in part by the Council.

There was no interstate or international travel undertaken by Council Members in 2022/23 funded in whole or in part by the Council.

Representation – quota and review

Council is required to review its composition at least once every eight years, in line with Section 12 of the *Local Government Act 1999*. The review looks at all aspects of Council’s composition such as ward boundaries, the number of Council Members in each ward or whether wards should be abolished.

Northern Areas Council’s next review period will take place from April 2024 to April 2025 and this process will include comprehensive community engagement. The table below indicates the average ratio of elector per elected representative for Northern Areas compared to other councils of similar size:

Council	Total electors	Number of elected members	Representation quota
Barunga West	2054	9	228
Ceduna	2277	9	253
Tumby Bay	2099	7	299
Mount Remarkable	2137	7	305
Kangaroo Island	3668	10	366
Northern Areas	3484	9	387
Goyder	3122	7	446
Coorong	3864	8	483
Lower Eyre Peninsula	3882	7	554

Data source: Electoral Commission SA 2023 (available from LGA SA)



Belalie Creek, Jamestown

Our People

Council's workforce as at 30 June 2023:

- 70 employees – 32 employees in our field teams and 38 in our offices, swimming pools and mobile library.
- 29 employees are females and 41 males.
- 37 full time employees, the CEO is on a contract and 32 are employed on a permanent part-time or casual basis.
- 20 employees had worked at Council for less than 2 years, 30 between 3 and 15 years and 20 more than 15 years.

As at 30 June 2023, the Senior Management Team included:

- CEO – Kelly Westell
- Manager Corporate Services – David Rattley
- Manager Development & Regulatory Services – Gabby Swearse
- Manager Community Development – James Lang
- Manager Operational Services – David McKinley

Several structural changes were undertaken in the first half of 2023 resulting in changes to the leadership group in August 2023:

- Louise Burford joined the Council as Manager Community & Growth;
- David Rattley became Manager Finance;
- James Lang became Senior Finance & Grants Officer.

In our operational workforce, teams were aligned to construction and maintenance roles.

Customer service excellence, work health and safety and supporting each other to create a high-performing organisation are all firmly on the agenda and we will continue in 2023/24 to create a work environment our employees can be proud of and one that delivers great outcomes for our community.

No employees indicated they were of Aboriginal or Torres Strait Islander descent. No employees indicated they had a disability.

Executive Remuneration

As at 30 June 2023, the following salary packages were available for the Senior Management Team:

Role	Number of employees	Classification	Salary	Other allowances and benefits
CEO	1	NA	\$188,235	Private use of car Mobile phone & internet reimbursed
Manager – contract	1	NA	\$126,075	Private use of car Mobile phone & internet reimbursed
Manager – permanent	2	SO6	\$126,107	Private use of car Mobile phone & internet reimbursed
Manager – permanent	1	SO2	\$95,990	Garaging of vehicle

Employee gifts and travel

There were no gifts over the value of \$50 provided to employees in 2022/23 that were funded in whole or in part by the Council.

There was no interstate or international travel undertaken by employees in 2022/23 funded in whole or in part by the Council.

Performance against Strategic Management Plan

Overview

Performance against 2022/23 plans

Like other councils, Northern Areas has encountered difficulty with supply chain issues, which has considerably delayed replacement of plant and machinery and a shortage of skilled tradespeople and contractors.

As a result, there are a number of projects that are 'shovel-ready' but unable to commence, or delayed.

This is a flow-on effect of all Councils receiving stimulus grants following the Covid-19 pandemic, leading to an under-supply of available contractors.

Council staff anticipate that when these grants are completed, the natural supply/demand balance should be restored, and Council can be confident that the objectives of the future Annual Business Plans will be achieved within the relevant year.

The following pages outline highlights and the challenges of the 2022/23 year against each of the goals of the Strategic Management Plan, as well as statutory reporting information.



Goal - A thriving local economy

Strategies:

- Encourage investment in local business & industry
- Support local business to drive local employment opportunities

Ayr St Redevelopment

Wallbridge Gilbert Aztec (WGA) and Landskap Architects have been engaged by the Council to develop a concept design and master plan for Ayr Street in Jamestown.

Key intended outcomes of the project include:

- Enhancing the main street character of Ayr Street and supporting economic development
- Enhancing pedestrian accessibility, safety and amenity
- Increasing tree canopy cover and general greening
- Opportunities for recreation and events
- Reinforcing the recognisable and distinct local character

Critical to project success has been reaching a concept design layout that has broad acceptance from stakeholders in Jamestown, including the general public, the Jamestown Development Association (JDA), Northern Areas Council Elected Members and staff.

To achieve this, the concept design has been iteratively developed over time to include feedback received from Stakeholders.

The concept design phase has included initial investigations to provide confidence in the general layout. Design works are anticipated for completion in early 2024.

Pine Creek Bridge

Council engaged McMahon Services to begin major upgrade works on the Pine Creek Bridge, north of Laura, with works beginning in September 2023.

The works will form part of Northern Areas Council's \$3.6M project to upgrade and widen the bridge, in so doing restoring the heavy vehicle freight route along the Appila-Laura Road to support the local economy.

Council secured just over \$2.9 million in Bridges Renewal Funding through the Federal Government towards the project, with an additional level of support of up to \$340,000 pledged by the South Australian Government.

Council is committed to fund the balance of the project.



Goal – A desirable place to live or visit

Strategies:

- 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

Regulatory roles

Council carries out a range of development and regulatory roles aimed at promoting well planned, safe and healthy communities. There are reporting requirements in place for a number of these.

Local Nuisance and Litter Control Act 2016

Council is responsible for investigating complaints made under the Local Nuisance and Litter Control Act 2016.

In 2022/23, Council received 9 official complaints in relation to local nuisance:

- 6 for noise
- 1 unsanitary
- 1 unsightly
- 1 animal related

No expiations were issued under the Act and there were no prosecutions. There were 2 nuisance abatement notices issued under the Act – 1 for unsanitary and 1 for unsightly properties.

Environmental Health

During the 2022/23 year the activities of the Environmental Health Officer included routine compliance inspections of food premises, on-site wastewater systems, high risk manufactured water systems and infectious control/investigations, as directed by the Communicable Diseases Branch of SA Health.

There were 44 onsite wastewater systems applications approved during the year. As part of the approval process, each system is subject to two mandatory inspections by the Environmental Health Officer.

Two vermin inspections were undertaken.

Food Safety

Council continues to provide educational awareness programs for food handlers and food businesses advising them of their obligations under the Food Act 2001.

In 2022/23, 12 food safety inspections were conducted. Council plans to conduct several food safety courses in 2023 for volunteer community members.

Building Fire Safety Committee

Council is required to ensure ongoing safety of building occupiers and users within the area. Council's Building Fire Safety Committee is a stand-alone committee set up to investigate whether building owners are maintaining proper levels of fire safety in their buildings as required under the *Planning Development & Infrastructure Act 2016*.

The Building Fire Safety Committee conducted inspections on nine buildings during the 2022/23 reporting period. The Committee comprises of the following members:

- Peter Harmer, Consulting Engineer.
- CFS Building Fire Safety committee delegate Julian Aggiss and proxies and Joel Taggart, Darren Chapman, Kevin Churchward and Phil McDonough.
- Nick Heron, Building Surveyor.
- Gabby Swearse, Council's Manager Development & Regulatory Services.

Fire Prevention

Council's Fire Prevention Officer administers legislative requirements and coordinates the management of a fire prevention program and activities to mitigate risks, both on public and private land.

Council continues to use a GIS platform for the issuing of fire permits, which was implemented to streamline the fire prevention duties. Information through community education and awareness through social media and Council's website is also a priority.

In 2022/23, there were 220 bushfire compliance notices issued to private land owners, resulting in 20 requiring enforcement. Fire Permits were issued to primary producers to undertake stubble or broad acre burning from March 2023. A total of 103 burning permits were issued, all being for stubble or broad acre burns.

Council's Fire Prevention Officer continues to liaise with State Government Agencies to ensure that land owned by or under the care, control and management of State Government are also managed and the risks mitigated through works undertaken, where they affect assets.

Community Land Management Plans

The Local Government Act requires Council to develop management plans for all community land, either owned or under its care and control of Council. These plans outline the way in which the land is to be used and managed. Council will comprehensively review the Community Land Management Plans in 2023/24.

Planning Development & Infrastructure Act

Planning reforms were implemented on 31 July 2020, requiring all new development applications to be lodged online and assessed against the State-wide Code, with all Council Development Plans being fully revoked.

The Mid North Regional Assessment Panel (RAP) which has been formed in conjunction with the Regional Council of Goyder, Wakefield Regional Council and Clare and Gilbert Valleys Council operated in its third year.

The RAP's function is to assess notifiable, performance assessed development applications, with some limitations. The RAP consists of four Independent Members and one Presiding Member.

- Mr Stephen Smith (Presiding Member)
- Mr John Brak (Independent Member)
- Mr Arron Broom (Independent Member)
- Ms Julie Lewis (Independent Member)
- Mr A Squires (Independent Member)

Development applications may be required to undergo public notification. These applications can be assessed by the RAP which meets on an as-required basis.

Development Applications

The majority of applications were approved by staff under delegated authority from the RAP Assessment Manager. These applications included dwellings, dwelling additions, sheds/garages, swimming pools, verandas, carports, pergolas, and other types of minor outbuildings. The approximate value of development applications in 2022/23 was \$19.13 million.

A total of 142 Development Applications were processed in 2022/23:

Veranda	16
Agricultural building	15
Outbuilding (Shed)	44
Detached dwelling	12
Dwelling addition	16
Store	10
Boundary realignment	5
Internal building work	5
Land division	5
Swimming pools	4
Other - Community	2
Other - Commercial/Industrial	8

Animal Management

Council is responsible for the management of dogs and cats within the region pursuant to the *Dog and Cat Management Act 1995*. The Act encourages responsible pet ownership, and promotes effective management with the aim of reducing the public and environmental impact from dogs and cats.

In 2022/23, Council:

- Consulted the community on off leash areas, with two off leash areas already provided and two in the process of being completed.
- Recorded 1697 dog and cat registrations, up from 1688 the previous year. There were 240 cat registrations.

Statistics for the year include:

- Barking dogs reports: 22
- Dogs wandering at large reports: 36
- Dogs collected and returned to owner before impounded: 16

- Dogs impounded: 12
- Reports of dog harassment to humans: 3
- Reports of dog attacks on humans: 1
- Reports of dog harassment to animals: 3
- Reports of dog attacks on animals: 1
- Cat complaints: 20
- Registered breeders: 40
- Payments received: over the counter \$12,000; online direct to DACO \$45,000.

Council will comprehensively review its Animal Management Plan in 2023/24.



Tarcowie Soldiers Memorial Hall

Goal – Stronger communities across our region

Strategies:

- Secure sustainable provision and enhancement of services to community
- Support capacity building of community groups

Grant funding

A number of grants were secured in the 2022/23 financial year to support Council projects and relieve the potential impact on ratepayers. Key grants received by were:

- \$2.928M for the Pine Creek Bridge Upgrade from the Federal Government's Bridges Renewal Program / Heavy Vehicle Safety and Productivity Program
- \$1.435M for Stage 1A of Ayr Street Jamestown Power Line Undergrounding from the Power Line Environment Committee (PLEC) Funding
- \$0.420M for Stage 1B of Ayr Street Jamestown Power Line Undergrounding from the Power Line Environment Committee (PLEC) Funding

Council also worked with community groups to achieve successful grant outcomes, including:

- Gladstone Tennis Club – received Community Recreation and Sport Facilities Program funding to resurface six multi-use courts, install light towers and court fencing
- Bundaleer Forest Community Areas Association – which received a Thriving Communities Program grant for wayfinding signage, a site information bay and clear directional signage

Council's community project grants

Council continued with its grants program for community projects, allocating \$20,000 to 11 groups in 2022/23:

- Gladstone Memorial Hall Management Committee - \$660
- Jamestown Development Association - \$650
- Jamestown Flying Group - \$1,500
- Jamestown National Trust - \$2,100
- Jamestown Show Society - \$2,000

- Rocky River Historic and Art Society - \$490
- Spalding Bowling Club - \$3,000
- Tarcowie Landcare Group - \$1,500
- Tarcowie Progress Association - \$3,000
- Washpool Hall Management Committee - \$2,100
- Yacka Community Development Association - \$3,000

Council also administers two grant funding programs established by windfarm operators in the district.

The **Neoen Hornsdale Wind Farm Community Fund** continued to provide two funding rounds: one for energy efficiency related projects and the other for general projects.

The fund distributed \$60,000 for energy efficiency projects to 11 community groups:

- Belalie Arts Society - \$5,900
- Bundaleer Forest Community Areas Association - \$7,000
- Caltowie Bowling Club - \$4,200
- Gladstone Bowling Club - \$2,000
- Jamestown Development Association - \$2,300
- Jamestown Hydrotherapy Pool and Gymnasium Management Committee - \$6,000
- Jamestown Lawn Tennis Club - \$6,100
- Jamestown Pistol Club - \$7,000
- Jamestown Table Tennis Association - \$6,000
- Victoria Park Jamestown Management Committee - \$5,500
- Yacka Community Development Association - \$8,000

For the general projects round, a total of 16 groups from across the Council area shared in \$60,000 in funding. The successful groups were:

- Combined Sports Association - \$3,000
- Flinders Ranges "A Brush With Art" - \$2,000

- Gladstone Memorial Hall Management Committee - \$5,000
- Jamestown Amateur Swimming Club - \$3,000
- Jamestown Bowling Club - \$1,800
- Jamestown Development Association - \$2,100
- Jamestown Lawn Tennis Club - \$5,000
- Jamestown Hydrotherapy Pool and Gymnasium Management Committee - \$5,000
- Jamestown Show Society - \$2,000
- Laura Community Gym - \$5,000
- Laura Memorial Civic Centre Management Committee - \$5,000
- Spalding Bowling Club - \$5,000
- Spalding History and Archive Group - \$4,000
- Spalding Tennis Club - \$3,000
- Washpool Hall Management Committee - \$5,000
- Yacka Community Development Association - \$1,300

In 2022/23 the **AGL Hallett Wind Farm Community Fund** allocated \$30,358 to 13 groups across the Council area. This was the 16th financial year the Council had partnered with AGL to deliver the fund and successful applicants were:

- Gladstone Community Development Association - \$3,000
- Gladstone Swimming Pool Management Committee - \$3,000
- Gulnare Community Development Board - \$3,000
- Jamestown Amateur Swimming Club - \$3,000
- Jamestown Bowling Club - \$1,495
- Jamestown National Trust - \$3,000
- Laura Bowling Club - \$3,000
- Laura Community Gym - \$3,000
- Rocky River Historic and Art Society - \$900
- RSL & Community Services Clubs - \$3,000
- Spalding Sports Association - \$2,000
- Spalding War Memorial Committee - \$1,500
- Tarcowie Landcare Group - \$463

In total 52 grants were awarded across the four funds, delivering \$170,358 to not-for-profit volunteer based organisations across the Council area.



David Russell of AGL (far left) joined with Mayor Sue Scarman to present just over \$30,000 in grant funding to 13 different groups from across the Council Area on behalf of the AGL Hallett Wind Farm, including the Tarcowie Landcare Group.

Mid North Starclub Field Officer

The STARCLUB Field Officer Program was a partnership between the SA Office for Recreation and Sport and regional councils, health services and community organisations.

The role of the STARCLUB Field Officer was to work with sport and recreation groups to help develop and maintain a strong, vibrant sporting and active recreation culture, and increase community participation.

At the end of December 2022, the shared service of the Mid North Starclub Officer program ended, predominantly due to the discontinuation of funding from the State Government. Partner councils Northern Areas, Port Pirie, Mount Remarkable, Orroroo Carrieton and Peterborough had been supporting the program for nearly 15 years.

Local tourism and events

The 2022/23 year saw the post-Covid return of a number of key events in the Council area, including The Laura Fair in April and the Jamestown Show in October.

The Jamestown Races again returned for another successful event in October, while the Caltowie Chilled out and Fired Up Festival was held in March 2023.

Council assisted with provision of bins, fencing, signage and general grounds maintenance at each event, with The Laura Fair and Jamestown Show attracting crowds of over 8,000.



The Laura Fair (top) and Jamestown Show (above) both made highly successful returns following a Covid related hiatus.



Swimming Pools

Council operates three outdoor swimming pools, located at Gladstone, Jamestown and Spalding. Employees undertake water preparation and chemical balancing, facility maintenance and lifeguard duties at the pools, while volunteers provide assistance with areas such as ground maintenance and facility upgrades.

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

For the first time, Council offered a 50% subsidy toward the electricity costs at each of the three pools. Combined with solar energy installations, significant savings were achieved for each pool committee, which could then reinvest the savings into facility improvements.

Council continues to operate a Regional Hydrotherapy Pool and Gymnasium in Jamestown, offering both a hydrotherapy pool rehabilitation facility and a gymnasium to the wider region.

During the 2022/23 financial year, repairs were undertaken to the turbulence system, while future upgrades to the gas heating system have been earmarked.

Gym memberships remain lower since the Covid restrictions came into force and Council will review the hydrotherapy pool and gym operations in the coming year.

Flinders Mobile Library

The Flinders Mobile Library continued to provide public library services to residents of the Northern Areas Council, District Council of Mount Remarkable and the Port Pirie Regional Council during the 2022/23 financial year.

Based at Gladstone the mobile library truck visits 16 townships, 9 schools, 2 kindergartens and 2 hospitals on a fortnightly schedule. The population served for each Council area has remained relatively static over five years:

POPULATION SERVED	2018/19	2019/20	2020/21	2021/22	2022/23
District Council of Mt Remarkable	2,907	2,910	2,909	2,913	2,908
Northern Areas Council	2,522	2,532	2,540	2,544	2,558
Port Pirie Regional Council	1,019	1,012	1,013	1,009	1,002
TOTAL*	6,448	6,454	6,462	6,466	6,468

** The total population served data is provided to Flinders Mobile Library by Public Library Services and forms part of the formula used to determine both the State Government's contribution to the service and each individual Council's financial contribution to the library each year.*



Library statistics

LOANS	2018/19	2019/20	2020/21	2021/22	2022/23
Total Physical Loans	36,165	30,933	35,798	31,113	32,970
Total Digital Loans (ebooks + eAudio)	1,157	2,314	2,636	3,583	4,338
Total Digital Loans (eMagazines)	-	17,523	24,699	1,888	841
Total Holds placed & collected	7,456	7,298	8,453	8,467	7,952

The total number of ebook & eAudio loans equals 11.63% of the total number of loans. The method by which the supplier of magazine count statistics changed in 2021/22.

In previous years every individual article read was counted, whereas from this year forward the count is on magazines borrowed.

Collection Statistics

Collection maintenance is an ongoing process, meaning that collection totals are in a constant state of flux as old items go out and new items come in. At 30 June 2023, Flinders Mobile

Library had a total of 19,693 physical items in the collection. These items consist of books, DVDs, CDs, CD-ROMs, magazines, language kits and audio books.

COLLECTION	30/6/19	16/6/20	30/6/21	30/6/22	30/6/23
Items on the Flinders Mobile Library truck	6,473	5,393	5,805	5,657	5,958
Items in the Flinders Mobile Library depot	13,591	12,812	12,441	13,596	13,735
TOTAL items in the entire collection	20,064	18,205	18,246	19,253	19,693

Library Events

The Mobile Library joined our local community at the Booleroo Centre Oval and the Laura Sports Reserve when Booleroo Melrose Wilmington Football Club played the Southern Flinders teams in the Northern Football League at two games in second half of the 2022 season.

We also presented information about our Library Services to the Rocky River Probud meeting in August 2022.

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.

Borrower Information

We had an overall increase of 112 borrowers registered with Flinders Mobile Library during the 2022/23 financial year. The Flinders Mobile Library officially had 1,425 registered members at 30 June, while 1,559 people regularly accessed our library service. We joined up 154 new borrowers in 2022/23 which included 15 electronic self-registrations.

Of these 1,425 borrowers, 535 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 37.54% of the total Flinders Mobile Library borrowers for 2022/23.

	2018/19	2019/20	2020/21	2021/22	2022/23
Borrowers registered with FML	1250	1244	1306	1,313	1425
Borrowers registered with another home library but use service regularly	135	136	137	151	134
Total - borrowers FML	1385	1380	1443	1,464	1559
BORROWERS BY COUNCIL & TOWN					
<i>District Council of Mount Remarkable</i>					
Murray Town	6	8	9	8	8
Appila	16	18	17	22	16
Port Germein	32	33	37	50	39
Wirrabara	33	34	37	41	37
Melrose*	88	83	90	89	91
Wilmington*	87	93	92	113	108
Booloroo Centre*	280	287	303	320	313
Total – Mt Remarkable	547	561	581	643	616
<i>Northern Areas Council</i>					
Gulnare	11	10	10	15	13
Yacka	20	20	20	28	18
Georgetown	22	24	31	32	33
Spalding*	60	58	55	69	59
Laura*	173	174	188	207	214
Gladstone*	273	257	279	326	315
Total – Northern Areas Council	538	523	558	677	629
<i>Port Pirie Regional Council</i>					
Redhill	19	17	17	18	15
Napperby*	56	43	43	62	56
Koolunga*	47	54	57	69	56
Total – Port Pirie Regional Council	132	124	126	149	140
Undefined	27	31	21	11	34

* We visit the local school in each of these towns.

Goal – Effective infrastructure and community assets

Strategies:

- Effective Infrastructure & Community Assets
- Enhanced local & regional road network
- Effective management of community assets

Plan shortfall

Council had a budgeted capital works program of \$12.8m in 2022/23. Council did not achieve this budget for the following key reasons:

- \$3.1m capital expenditure on the Pine Creek bridge upgrade was deferred to 2023/24 as a result of revisions to the scope of work;
- Items of plant and machinery were ordered but, due to supply issues, will not be available for delivery in 2022/23. These include a 13000lt rigid water cart, prime mover and semi side tipper, along with two light commercial vehicles;
- Delays in the road sealing program that were finalised in early 2023/24;
- Ongoing delays in sourcing contractors for building projects.

There were several grant programs that awarded funds to all councils and this has led to a shortfall in contractor supply, particularly in rural areas. A lot of the preliminary work has happened now in relation to these projects. The Commonwealth were in agreeance that

there was severe shortage in contractor supply, so much so that they extended those programs out to a completion date of 30 June 2024.

Despite this, Council did progress a significant amount of capital projects, with significant renewal projects for halls and civic centres, as well as projects designed to improve the amenity of the sporting and community associations throughout the districts.

Parks and playgrounds

A new swing set incorporating two accessible swing options was installed at Jamestown's Memorial Park.

Two new electric barbecues were installed at Tresylva Park in Gladstone, along with new seating and lighting. New fencing at Tresylva Park and Gladstone pool was also installed.

Jamestown's Belalie Creek had a long overdue reed cleanout, with new fencing bordering Creek Street installed.



Above left: works on Spalding's main street, and right: cleaning up Belalie Creek, Jamestown.

Roadworks

Council achieved 75 kilometres of unsealed road resheeting, which was 86% completion of the planned program. This was despite a wet spring that delayed activities.

Council used its own plant and machinery capable to produce rubble for road construction. In the 2022/23 year, Council raised a little over 90,000 cubic metres of rubble and crushed approximately 60,000 cubic metres.

Almost 920km of patrol grading was completed.

New seal and reseal preparations were undertaken in Georgetown, Spalding, Laura and Jamestown.

Footpath and stormwater works were completed at the Spalding service station, while kerb replacement, footpath and seal works in Georgetown and Gladstone were completed.

Huddleston Road shoulder reconstruction started late in the financial year and will be carried forward for completion in the first part of 2023/24.

Council also supplied staff and road construction equipment to assist the Riverland councils who needed to construct levees during the River Murray floods.

The program for construction of sealed roads was not completed due to contractor unavailability and design reconsiderations.

Wastewater works

A new dual 100,000 litre tank storage was installed at Gladstone CWMS.

Buildings and facilities

A significant number of community and Council owned building projects were completed or progressed in 2022/23. These included:

- Air conditioning upgrade for the Goyder Medical Centre
- New shelter at the Jamestown Cemetery
- Reroofing of the Laura Civic Centre
- New shelters and reroof at Spalding Oval
- Upgraded fence at the Spalding Pool
- New chemical analysers at Spalding, Jamestown & Gladstone pools.



Above left: works on Georgetown-Narridy Rd, and right: one of the rubble pits in full swing.

Goal – Sustained financial stability

Strategies:

- Maintain council's financial sustainability
- Pursue productivity improvements & cost reduction initiatives

Long Term Financial Plan Review

A review was conducted of the Long Term Financial Plan (LTFP) which was originally set in February 2022. It was presented to a Special Council meeting on 27 June 2023 along with the 2023-24 Annual Business Plan and Budget. The LTFP also underwent community consultation at the same time as the Annual Business Plan.

The timing of the LTFP review aligned with upcoming Essential Services Commission of South Australia (ESCOSA) Local government rates oversight scheme. Northern Areas Council is being reviewed in 2023/24, with a report expected in early 2024.

The LTFP focused on Financial Sustainability Indicators as follows.

- Operating Surplus Ratio Between 0 % and 10 %
- Net Financial Liabilities Ratio Between 0 % and 50 %
- Asset Sustainability Ratio Between 95% and 105%

Roads to Recovery

The 2022/23 year was the fourth year of the 2019-2024 Roads to Recovery program.

Council's total program allocation has been set at \$2,038,770 over the five-year program (\$407,754 per annum). Projects allocated 2022/23 funding related to portions of the following roads:

- Hacklins Corner Road: \$120,777
- Caltowie Georgetown Road: \$151,000
- Laura Caltowie Road: \$43,223
- Marble Hill Road: \$92,754

Financial Assistance Grants

Council relies on the receipt of Financial Assistance Grants each year as a significant component of revenue. For 2022/23, the amount of Financial Assistance Grants included in the original adopted budget equated to 16% of operating revenue.

During 2022/23, Council actually received a total of \$2,929,592 (this included an amount of \$2,208,861 relating to 2023/24 which was received as an advance payment in June 2023 and reported in the 2022/23 financial statements).

2023/24 Annual Business Plan & Budget

The aim of adopting Council's 2023/24 Annual business Plan and Budget in late June was met.

The budget timeline allowed Council to hold two budget workshops in April and May, focused at the strategic level (in particular around Financial Sustainability Indicators).

The Annual Business Plan consultation period provided an opportunity for the public to ask questions prior to the 20 June Council Meeting. Councillors and staff were in attendance to hear verbal submissions and answer questions from the six members of the public who attended. Two written submissions were received during the consultation period.

The final budget adoption occurred at a Special Council Meeting held on 27 June. No material changes were made to the final budget as a result of the consultation period.

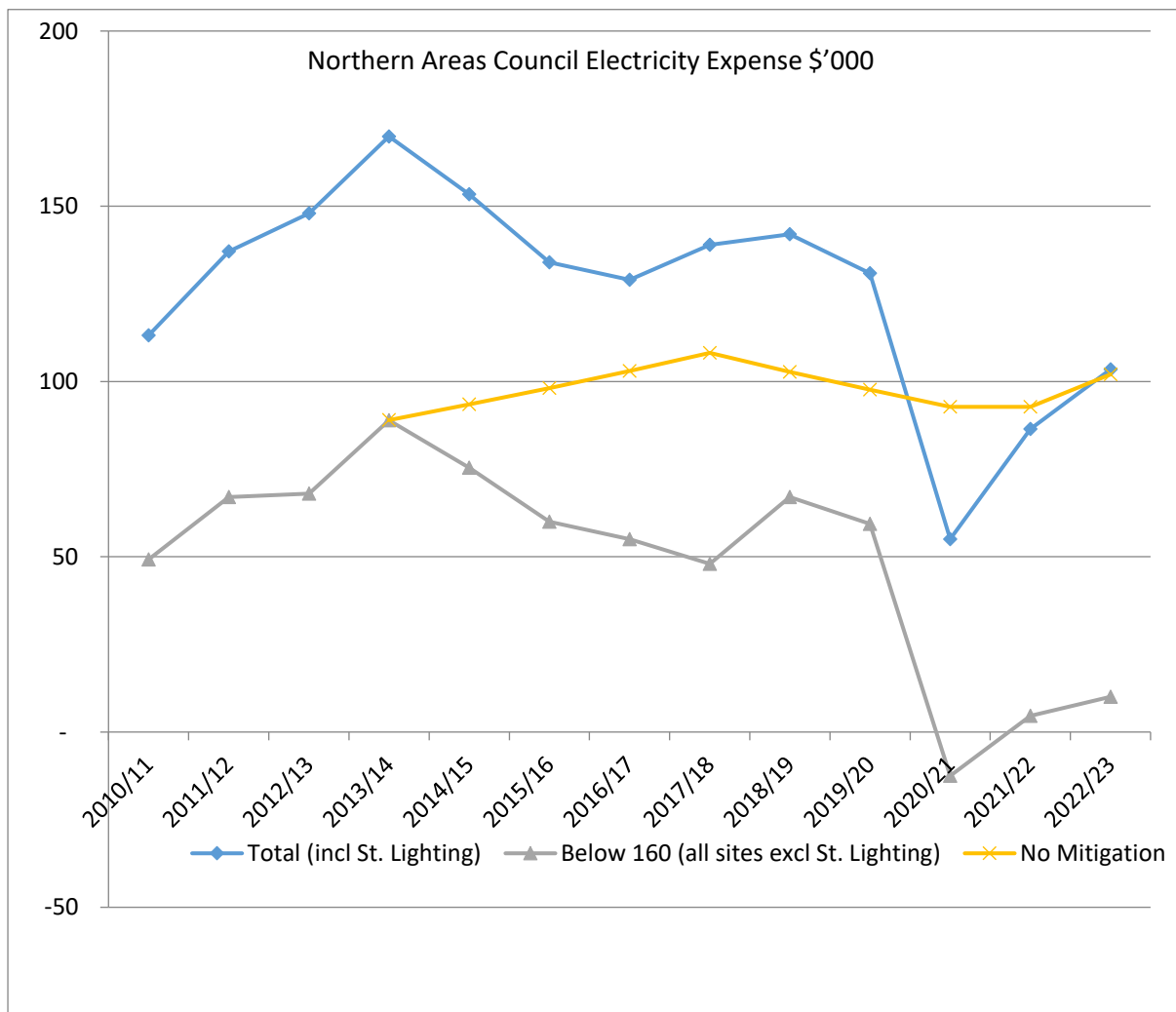
Electricity

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 graph below. This does not include the range of community facilities with solar in which power bills are paid directly by the group.

The 2022/23 year includes quarterly credit payments of \$37,737 for 5 depots and 4 halls where larger solar projects have eliminated the bill and pushed them into ongoing credit (\$47,679 in 2021/22).

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 and upward for 2022/23, mirroring industry trends. This is designed to represent the 'do-nothing' approach. The cumulative saving between this line and where Council sits currently is \$524,000.

Swimming Pool power was added onto Council's contract in 2021/22 which totalled \$11,200 for 3 pools, with a slight drop in 2022/23 to \$8,700.



Yearly Treasury 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.

During the 2022/23 financial year the official Reserve Bank of Australia (RBA) cash rate commenced at 0.85% following rises in May and June of 2022. The upward trend continued through the entire year as a result of increasing inflation levels. The cash rate target therefore sits at 4.10% as at June 30 2023. Investment earnings ranged from 1.05% to 4.30% on funds invested during the period (excluding the LGFA bonus rate).

The total interest income from financial institutions for the year was \$48,468, which was well above the previous year's interest income of \$20,987 due to the increased deposit rates on offer. (The increase in interest income was forecast in the 2nd budget review with budgeted income adjusted upwards by \$10,000 to the new forecast of \$35,000).

The table top right provides Council's investment portfolio performance for the year ended 30 June 2023 compared to the official cash rate and the bank bill swap rate.

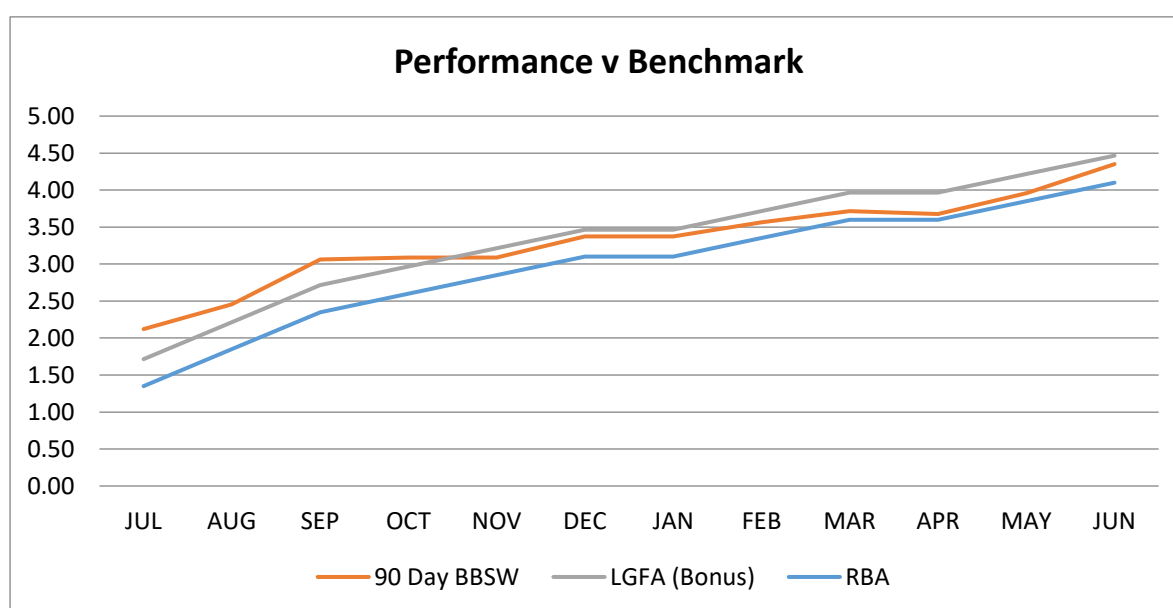
Financial Institution	Average Holding	Average Return
Local Government	1,849,679	3.34%
Total Average	1,849,679	3.34%
NAB Council	658,902	2.23%
90 Day Bank Bill		3.32%
Official Cash Rate		2.98%

** LGFA average return factors in a yearly bonus percentage of 0.165%. Note: The 90 Day BBSW as at 30 June 2023 was 4.35% and the RBA cash rate was 4.10%.*

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

The graph below 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.



Procurement Policy

Council's Procurement Policy was first adopted in June 2010 and was last reviewed and adopted September 2022. The policy establishes principles to ensure procurement of goods and services by Council are:

- Timely
- Competitive and cost effective
- Quality and fit for intended purpose
- Efficiently deliver Council services
- Conducted transparently and ethically in accordance with relevant legislation

The policy provides Elected Members, officers, 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.

In 2022/23 there were 10 tenders determined through a competitive process, including:

- Roadworks and sealing
- Purchase of Plant & Equipment
- Bridge upgrades
- Preliminary engineering design for streetscape
- Stormwater plans
- Upgrade of the Council UHF network

A number of requests for quotation for a range of products and services were also carried out within the policy guidelines. An emphasis on local purchasing was a consistent theme.

Auditor's Remuneration

Council's Audit Fees for the 2022/23 financial year were paid as follows: Dean Newberry and Partners - \$16,732.

Dean Newberry and Partners commenced a five year audit term in 2020-21.

Legal Fees

Council incurred legal fees totalling \$91,759 in 2022/23. This legal advice was provided for planning, governance, human resource & administrative matters.

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*.

Council undertook private works during the year, principally to assist River Murray councils prepare levee banks during the flooding in late 2022 and also to attend to block slashing.

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.

Credit card expenditure

Credit cards are issued to the CEO and senior managers, in line with the requirements of Council's Procurement Policy. In 2022/23, \$40,013 worth of purchases of goods and services were made using the credit cards.

Governance & Information

Confidentiality Provisions

During the 2022/2023 financial year the Council made orders under the confidentiality provisions of Section 90(2) of the *Local*

Government Act 1999 on a total of 31 occasions and made orders under Section 91(7) of the Act in relation to those items:

Date	Meeting Ordinary (OM) / Special (SM)	Subject	90(3) provision
8 July 2022	SM	Council Confidential Briefing	(g)
8 July 2022	SM	Consider Release of Confidential Minutes	(g)
19 July 2022	OM	Replacement of Council Cleaners Van	(b) and (k)
27 July 2022	SM	Staff Matter- Consideration of Legal Advice	(a)
16 Aug 2022	OM	Georgetown, Gladstone, Laura & Spalding Stormwater Management Plans	(b)(i)(ii)
16 Aug 2022	OM	2 Way Radio Base Station Upgrade	(b) and (k)
16 Aug 2022	OM	Manager Operational Services Vehicle Changeover	(b) and (k)
23 Aug 2022	SM	Community Land Management Plan	(b)(i)(ii)
23 Aug 2022	SM	Acting Chief Executive Officer	(a) and (b)
23 Aug 2022	SM	Chief Executive Officer Recruitment	(b) and (k)
18 Oct 2022	OM	Community Land Management Plan & Agreement with Georgetown Hills Renewable Energy	(b) and (d)
22 Nov 2022	OM	Tender for Side Tipper Replacement	(k)
5 Dec 2022	SM	Appointment of Chief Executive Officer	(a)
5 Dec 2022	SM	Electricity Market	(k)
13 Dec 2022	OM	Tender for Side Tipper Replacement	(k)
13 Dec 2022	OM	Tender for Prime Mover	(k)
13 Dec 2022	OM	Tender for Off Leash Dog Park Fencing	(k)
13 Dec 2022	OM	Ayr Street Redevelopment Cost Estimate	(d)(i)(ii)
13 Dec 2022	OM	Sale of Land for Non Payment of Rates	(a)
13 Dec 2022	OM	Gulnare Development Board Lease	(d)(i)(ii)
13 Dec 2022	OM	Spalding Rural Youth Hall	(d)(i)(ii)
13 Dec 2022	OM	Citizen of the Year	(c)
21 Feb 2023	OM	Detailed Design – Ayr Street Redevelopment	(d)(i)(ii)
21 Feb 2023	OM	Huddleston Road Shoulders Upgrade Gladstone Request for Tender	(k)
21 Feb 2023	OM	New Seal Re-Seal Request for Tender	(k)
21 Feb 2023	OM	Late Confidential Item: Spalding Rural Youth Hall – Consideration of Offers	(d)(i)(ii)
21 March 2023	OM	Tender for water Truck Replacement	(k)
18 April 2023	OM	Trans Tasman Energy Group Pty Ltd Claim	(h)
18 April 2023	OM	Organisational Structure Review	(a)
16 May 2023	OM	Pine Creek Bridge Constructions Works	(k)
27 June 2023	SM	CEO Employment Update	(a)

Matters where Section 91(7) orders expired, ceased to apply or were revoked – in whole or in part – during the year are highlighted. As at 30 June 2023, 19 Section 91(7) orders made after 15 November 2010 remained in operation either in whole or in part.

Registers & Codes

The following registers and codes of practice are kept by Council in line with the requirements of the *Local Government Act 1999* and *Local Government (Elections) Act 1999*:

- Register of interests – Council Members
- Register of gifts and benefits – Council Members
- Register of allowances and benefits – Council Members
- Register relating to training and development – Council Members
- Register of remuneration, salaries and benefits – Employees
- Register of interests – Employees
- Register of gifts and benefits - Employees
- Register of community land
- Register of public roads
- Code of Practice for Access to Council and Committee Meetings and Documents
- Register of declarations of interest by Council Members
- Codes of Conduct / Behavioural Standards – for Council Members and Employees

Freedom of Information

The Freedom of Information Statement is published annually by the Northern Areas Council in accordance with the requirements of the *Freedom of Information Act 1991*.

An information document is available in accordance with requirements and the contents are also included in this Annual Report. The Council is pleased to comply with the legislation and welcomes enquiries. An

updated Information Statement will be published at least every 12 months. During the 2022/2023 financial year Northern Areas Council received nil applications for information under the Freedom of Information legislation.

The statutory application fee charged per application is \$37.50 unless the applicant qualifies for a fee waiver.

Section 270 reviews

There were no internal reviews of a Council decision undertaken in accordance with Section 270(8) of the Local Government Act in 2022/23.

Policies

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

- Asset Accounting Policy
- Asset Management Policy
- Behavioural Management Policy
- Behavioural Standard – Prevention of Bullying Harassment, Sexual Harassment
- Behavioural Standards for Employees
- 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
- Enforcement Policy
- External Grant Funding Policy

- Financial Hardship Policy
- Fraud Corruption Misconduct & Maladministration Policy
- Grievance Resolution Policy & Procedure
- Hardship Policy for Residential Customers of CWMS and Recycle Water Services
- Internal Financial Control Policy
- Land Division Policy
- Management of Town Development Boards and or Associations
- Media Protocol
- Motor Vehicle Policy
- Order Making Policy
- Procurement Policy
- Property Access
- Prudential Management Policy
- Public Consultation Policy
- Public Interest Disclosure Policy
- Records Management Policy
- Request for Service Policy (Section 270)
- Risk Management Policy
- Risk Management Strategy
- Road and Public Place Naming
- Safe Environment Policy
- Storage and Disposal of Timber
- Tourism
- Training and Development Policy for Council Members
- Treasury Management Policy
- Tree Management Policy
- Volunteer Policy



Audit & Risk Committee: Annual Review and Report

Council's Audit and Risk Committee Work Program and Terms of Reference include a requirement for an annual review and report to council on the Committee's performance.

During the 2022/23 financial year, the Committee met on three occasions, in November, March and June (the November meeting was a combination of items scheduled for October and December).

The new terms of reference reviewed at the June meeting now require the Committee to meet as a minimum once per quarter.

The Committee member attendances for 2022/23 are shown below. The November 2022 local government elections resulted in a change of Council members on the committee.

The following is a summary of the Committee's work program completion, showing the number of programmed items and whether these were completed.

Complete	Number	%
Yes	16.5	75%
No	5.5	25%
Total	22	100%

Those items not fully completed were:

- Review of format of financial reports presented to Council – this occurs as reports are prepared.
- Confirming if Council's Business Continuity Plan is adequate and effective – a draft has been prepared and will be presented to the Committee in 23/24.
- Review of the Public Interest Disclosure Act and arrangements – to occur in 23/24.
- Review of Procurement Policy – this will occur in 23/24.
- Review of Asset Management Plans – plans are in development.

2022/23 Audit and Risk Committee Attendance Summary

Committee Member	Attendance		
	Meetings	Attended	Apology
Ian Swan (Chairperson & Independent Member)	3	3	0
Jim Barratt (Independent Member)	3	2	1
Cr Ben Browne *	1	1	0
Cr Denis Clark *	1	1	0
Cr Leon Pollard *	1	1	0
Cr Sue Scarman	2	2	0
Cr Denise Higgins	2	2	0
Cr Tom Malone	2	2	0

* Term expired at the November 2022 local government elections.

Northern Areas Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

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 2023

Contents	Page
Council certificate	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7
Independent Auditor's Report – Financial Statements	38
Independent Auditor's Report – Internal Controls	39
Certificates of Audit Independence	
Council Certificate of Audit Independence	40
Audit Certificate of Audit Independence	41

General Purpose Financial Statements
for the year ended 30 June 2023

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 2023 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.



Kelly Westell
Chief Executive Officer

21 November 2023



Sue Scarman
Mayor

21 November 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income			
Rates	2a	9,531	9,279
Statutory charges	2b	146	133
User charges	2c	194	191
Grants, subsidies and contributions - capital	2g	–	639
Grants, subsidies and contributions - operating	2g	3,582	3,479
Investment income	2d	86	40
Reimbursements	2e	150	153
Other income	2f	385	358
Total income		<u>14,074</u>	<u>14,272</u>
Expenses			
Employee costs	3a	4,226	3,770
Materials, contracts and other expenses	3b	3,859	3,478
Depreciation, amortisation and impairment	3c	4,784	4,801
Finance costs	3d	166	183
Total expenses		<u>13,035</u>	<u>12,232</u>
Operating surplus / (deficit)		<u>1,039</u>	<u>2,040</u>
Asset disposal and fair value adjustments	4	(359)	(700)
Amounts received specifically for new or upgraded assets	2g	446	880
Net surplus / (deficit)		<u>1,126</u>	<u>2,220</u>
Total comprehensive income		<u>1,126</u>	<u>2,220</u>

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

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	6,243	6,217
Trade and other receivables	5b	1,258	910
Inventories	5c	306	153
Total current assets		<u>7,807</u>	<u>7,280</u>
Non-current assets			
Trade and other receivables	6	209	266
Infrastructure, property, plant and equipment	7	104,848	105,979
Total non-current assets		<u>105,057</u>	<u>106,245</u>
TOTAL ASSETS		<u>112,864</u>	<u>113,525</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8a	991	1,582
Borrowings	8b	1,241	2,348
Provisions	8c	1,080	1,167
Lease Liabilities	8d	465	455
Total current liabilities		<u>3,777</u>	<u>5,552</u>
Non-current liabilities			
Borrowings	8b	3,429	3,479
Provisions	8c	59	21
Total non-current liabilities		<u>3,488</u>	<u>3,500</u>
TOTAL LIABILITIES		<u>7,265</u>	<u>9,052</u>
Net assets		<u>105,599</u>	<u>104,473</u>
EQUITY			
Accumulated surplus		16,053	15,257
Asset revaluation reserves	9a	88,284	88,284
Other reserves	9b	1,262	932
Total council equity		<u>105,599</u>	<u>104,473</u>
Total equity		<u>105,599</u>	<u>104,473</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 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		15,257	88,284	932	104,473
Net surplus / (deficit) for year		1,126	–	–	1,126
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	7a	–	–	–	–
- Other Movements (prior year amendment)		–	–	–	–
Other comprehensive income		–	–	–	–
Total comprehensive income		1,126	–	–	1,126
Transfers between reserves		(330)	–	330	–
Balance at the end of period		16,053	88,284	1,262	105,599
2022					
Balance at the end of previous reporting period		13,250	88,284	719	102,253
Net surplus / (deficit) for year		2,220	–	–	2,220
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	7a	–	–	–	–
- Other Movements (prior year amendment)		–	–	–	–
Other comprehensive income		–	–	–	–
Total comprehensive income		2,220	–	–	2,220
Transfers between reserves		(213)	–	213	–
Balance at the end of period		15,257	88,284	932	104,473

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 2023

\$ '000	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		9,542	9,281
Statutory charges		156	133
User charges		213	191
Grants, Subsidies and Contributions (operating purpose)		3,582	3,645
Investment receipts		86	40
Reimbursements		164	153
Other receipts		601	362
<u>Payments</u>			
Payments to employees		(4,207)	(3,749)
Payments for materials, contracts and other expenses		(5,347)	(2,937)
Finance payments		(117)	(186)
Net cash provided by (or used in) operating activities	11b	4,673	6,933
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		480	880
Sale of replaced assets		46	102
Sale of surplus assets		–	62
Repayments of loans by community groups		76	59
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,188)	(5,809)
Expenditure on new/upgraded assets		(870)	(1,599)
Net purchase of investment securities		–	163
Net cash provided (or used in) investing activities		(3,456)	(6,142)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Borrowings		200	1,121
<u>Payments</u>			
Repayments of Borrowings		(1,157)	(1,328)
Net cash provided by (or used in) financing activities		(957)	(207)
Net increase (decrease) in cash held		260	584
plus: cash & cash equivalents at beginning of period		6,217	5,633
Cash and cash equivalents held at end of period	11a	6,477	6,217
Additional information:			
Total cash, cash equivalents and investments		6,477	6,217

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Income	14
3	Expenses	17
4	Asset disposal and fair value adjustments	18
5	Current assets	19
6	Non-current assets	19
7	Infrastructure, property, plant & equipment and investment property	20
8	Liabilities	23
9	Reserves	23
10	Assets subject to restrictions	24
11	Reconciliation to Statement of Cash Flows	25
12(a)	Functions	26
12(b)	Components of functions	27
13	Financial instruments	28
14	Capital expenditure and investment property commitments	30
15	Financial indicators	31
16	Uniform presentation of finances	34
17	Leases	34
18	Superannuation	35
19	Contingencies and assets/liabilities not recognised in the balance sheet	36
20	Events after the balance sheet date	36
21	Related party transactions	37

Northern Areas Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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 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.

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
			41

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

2020/21	\$1,797,717	\$1,813,376	- \$15,659
2021/22	\$2,639,207	\$1,879,898	- \$759,309
2022/23	\$2,929,595	\$1,952,511	- \$977,084

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.

(6) Infrastructure, property, plant and 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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.

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
Buildings - sealed carparks	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	22 to 30 years
Sealed Roads – Structure	60 to 240 years
Unsealed Roads	8 to 22 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	25 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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 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.

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 4.05% (2022, 3.25%)

Weighted avg. settlement period 9.3 years (2022, 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 Hostplus 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) 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 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.

(11) 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*.

As of 30 June 2023 Council's equity interest in the Central Local Government Region is \$74,975.

(12) 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(13) 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 2022. 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.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, 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 2023

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current* (amended by *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date*, *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*)
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* (This standard amends a number of Standards as follows: *AASB 7 Financial Instruments: Disclosures* – to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements, *AASB 101 Presentation of Financial Statements* - to require entities to disclose their material accounting policy information rather than their significant accounting policies, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* - to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates, *AASB 134 Interim Financial Reporting* - to identify material accounting policy information as a component of a complete set of financial statements, *AASB Practice Statement 2: Making Materiality Judgements* - to provide guidance on how to apply the concept of materiality to accounting policy disclosures)

(14) 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.

(15) 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 and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income

\$ '000	2023	2022
(a) Rates		
General rates		
General rates	7,795	7,605
Total general rates	7,795	7,605
Other rates (including service charges)		
Landscape levy	285	279
Waste collection	572	544
Community wastewater management systems	897	877
Total other rates (including service charges)	1,754	1,700
Other charges		
Penalties for late payment	45	40
Legal and other costs recovered	11	9
Total other charges	56	49
Less: discretionary rebates, remissions and write-offs		
Less: discretionary rebates, remissions and write-offs	(74)	(75)
Total less: discretionary rebates, remissions and write-offs	(74)	(75)
Total rates	9,531	9,279
(b) Statutory charges		
Development Act fees	44	42
Town planning fees	37	33
Animal registration fees and fines	36	36
Sundry	29	22
Total statutory charges	146	133
(c) User charges		
Cemetery/crematoria fees	41	49
Hall and equipment hire	32	31
Property lease	11	12
Sundry	13	13
Waste Management	50	43
Road Rents	11	11
Washdown Bay	36	32
Total user charges	194	191

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	54	21
- Banks and other	17	1
- Loans to community groups	15	18
<u>Total investment income</u>	<u>86</u>	<u>40</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(e) Reimbursements		
Roadworks	9	57
NRM Costs	5	11
Other	136	85
<u>Total reimbursements</u>	<u>150</u>	<u>153</u>
(f) Other income		
Insurance and other recoupments - infrastructure, property, plant and equipment	1	13
Rebates received	60	60
Sundry	30	10
Section 41 Committees	294	275
<u>Total other income</u>	<u>385</u>	<u>358</u>
(g) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	446	880
Total	<u>446</u>	<u>880</u>
Other grants, subsidies and contributions - capital		
Untied - Local roads and community	–	639
Total Other grants, subsidies and contributions - capital	<u>–</u>	<u>639</u>
Other grants, subsidies and contributions		
Other grants, subsidies and contributions	–	177
Untied - Financial Assistance Grant	2,930	2,639
Roads to Recovery	386	408
Library and communications	18	21
Sundry	248	234
Total other grants, subsidies and contributions	<u>3,582</u>	<u>3,479</u>
<u>Total grants, subsidies and contributions</u>	<u>4,028</u>	<u>4,998</u>
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	386	1,224
State Government	3,294	2,660
Other	348	1,114
Total	<u>4,028</u>	<u>4,998</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses

\$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		4,084	3,639
Employee leave expense		154	223
Superannuation - defined contribution plan contributions	18	376	310
Superannuation - defined benefit plan contributions	18	48	46
Workers' compensation insurance		90	84
Less: capitalised and distributed costs		(526)	(532)
<u>Total operating employee costs</u>		<u>4,226</u>	<u>3,770</u>
Total number of employees (full time equivalent at end of reporting period)		52	52
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		17	16
Elected members' expenses		152	138
Election expenses		45	2
<u>Subtotal - prescribed expenses</u>		<u>214</u>	<u>156</u>
(ii) Other materials, contracts and expenses			
Contractors		908	655
Energy		141	134
Legal expenses		88	60
Levies paid to Government - NRM levy		284	277
Insurance		527	482
Maintenance - Infrastructure		840	872
Maintenance - Plant & Equipment		435	400
Fuel - Plant & Equipment		580	484
Libraries		102	95
Waste Management		710	640
Section 41 Expenses		71	83
IT & Communications		189	193
Water		156	165
Community Grants/Donations		223	286
Less: capitalised and distributed Costs		(1,609)	(1,504)
<u>Subtotal - Other material, contracts and expenses</u>		<u>3,645</u>	<u>3,322</u>
<u>Total materials, contracts and other expenses</u>		<u>3,859</u>	<u>3,478</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3. Expenses (continued)

\$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	555	519
Infrastructure		
- Stormwater drainage	226	224
- CWMS	317	327
- Roads	2,802	2,868
- Bridges	279	281
Plant and equipment	550	529
Furniture and fittings	55	53
Subtotal	4,784	4,801
<u>Total depreciation, amortisation and impairment</u>	<u>4,784</u>	<u>4,801</u>
(d) Finance costs		
Interest on loans	145	163
Bank Fees	21	20
<u>Total finance costs</u>	<u>166</u>	<u>183</u>

Note 4. Asset disposal and fair value adjustments

\$ '000	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	46	164
Less: carrying amount of assets sold	(405)	(864)
Gain (loss) on disposal	(359)	(700)
<u>Net gain (loss) on disposal or revaluation of assets</u>	<u>(359)</u>	<u>(700)</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 5. Current assets

\$ '000	2023	2022
(a) Cash and cash equivalent assets		
Cash on hand and at bank	2,466	3,470
Deposits at call	3,777	2,747
<u>Total cash and cash equivalent assets</u>	<u>6,243</u>	<u>6,217</u>
(b) Trade and other receivables		
Rates - general and other	547	558
Accrued revenues	5	11
Debtors - general	581	138
GST recoupment	94	153
Loans to community organisations	31	50
<u>Total trade and other receivables</u>	<u>1,258</u>	<u>910</u>
(c) Inventories		
Stores and materials	49	53
Rubble Stock	257	100
<u>Total inventories</u>	<u>306</u>	<u>153</u>

Note 6. Non-current assets

\$ '000	2023	2022
Trade and other receivables		
Receivables		
Loans to community organisations	209	266
<u>Total receivables</u>	<u>209</u>	<u>266</u>
<u>Total financial assets</u>	<u>209</u>	<u>266</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/22				Asset movements during the reporting period				as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital work in progress		–	–	–	–	–	238	–	–	–	238	–	238
Land & Land Improvements	2	8,505	–	–	8,505	–	–	–	–	8,505	–	–	8,505
Buildings and other structures	2	1,953	397	(24)	2,326	50	136	(63)	(31)	1,890	583	(55)	2,418
Buildings and other structures	3	29,399	1,904	(14,874)	16,429	531	658	(55)	(505)	29,242	3,093	(15,277)	17,058
Infrastructure													
- Stormwater drainage	3	13,381	129	(3,829)	9,681	107	–	–	(226)	13,381	236	(4,055)	9,562
- CWMS	3	19,021	190	(8,343)	10,868	53	–	–	(317)	19,021	244	(8,661)	10,604
- Roads	3	77,764	5,865	(33,205)	50,424	52	1,902	(277)	(2,802)	76,107	7,819	(34,627)	49,299
- Bridges	3	14,915	190	(12,055)	3,050	–	35	–	(279)	14,915	225	(12,334)	2,806
Plant and equipment		–	11,254	(6,728)	4,526	–	248	(20)	(569)	–	11,385	(7,201)	4,184
Furniture and fittings		–	621	(451)	170	–	66	(5)	(56)	–	387	(213)	174
Total infrastructure, property, plant and equipment		164,938	20,550	(79,509)	105,979	793	3,283	(420)	(4,785)	163,061	24,210	(82,423)	104,848
Comparatives		167,501	13,721	(76,986)	104,236	1,453	5,954	(864)	(4,801)	164,938	20,550	(79,509)	105,979

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and 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 7(a) 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 and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and 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

Road 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 and forming part of the Financial Statements

for the year ended 30 June 2023

Note 8. Liabilities

\$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a) Trade and other payables				
Goods and services	602	–	1,259	–
Payments received in advance	140	–	144	–
Accrued expenses - employee entitlements	160	–	139	–
Accrued expenses - finance costs	77	–	28	–
Accrued expenses - other	12	–	12	–
<u>Total trade and other payables</u>	<u>991</u>	<u>–</u>	<u>1,582</u>	<u>–</u>

(b) Borrowings

Loans	1,241	3,429	2,348	3,479
<u>Total Borrowings</u>	<u>1,241</u>	<u>3,429</u>	<u>2,348</u>	<u>3,479</u>

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

(c) Provisions

Employee Entitlements - Long Service Leave	644	59	684	21
Employee Entitlements - Annual Leave	436	–	483	–
<u>Total provisions</u>	<u>1,080</u>	<u>59</u>	<u>1,167</u>	<u>21</u>

(d) Other liabilities

Other liabilities	465	–	455	–
<u>Total other liabilities</u>	<u>465</u>	<u>–</u>	<u>455</u>	<u>–</u>

Note 9. Reserves

\$ '000	as at 30/06/22				as at 30/06/23
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land - other	7,836	–	–	–	7,836
Buildings and other structures Infrastructure	10,655	–	–	–	10,655
- Stormwater drainage	8,823	–	–	–	8,823
- CWMS	5,119	–	–	–	5,119
- Roads	53,010	–	–	–	53,010
- Bridges	2,841	–	–	–	2,841
<u>Total asset revaluation reserve</u>	<u>88,284</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>88,284</u>
Comparatives	88,284	–	–	–	88,284

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 9. Reserves (continued)

\$ '000	as at 30/06/22	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/23
	Opening Balance				Closing Balance
(b) Other reserves					
Jamestown CWMS Reserve	321	502	(275)	–	548
Laura CWMS Reserve	445	189	(103)	–	531
Gladstone CWMS Reserve	166	205	(188)	–	183
Total other reserves	932	896	(566)	–	1,262
Comparatives	719	213	–	–	932

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).

Note 10. Assets subject to restrictions

\$ '000	2023	2022
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 and financial assets		
CWMS	1,262	932
Total cash and financial assets	1,262	932
Total assets subject to externally imposed restrictions	1,262	932

CWMS - LGFA reserve from separate rates which remain unexpended on CWMS maintenance, upgrade and replacement over the period of each individual scheme.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
---------	-------	------	------

(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 Statement of Financial Position as follows:

Total cash and equivalent assets	5	6,243	6,217
Balances per Statement of Cash Flows		6,243	6,217

(b) Reconciliation of change in net assets to cash from operating activities

Net surplus/(deficit)		1,126	2,220
Non-cash items in income statements			
Depreciation, amortisation and impairment		4,784	4,801
Grants for capital acquisitions treated as investing activity		(446)	(1,519)
Net (gain)/loss on disposals		359	700
		5,823	6,202
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(367)	6
Net (increase)/decrease in inventories		(153)	(32)
Net increase/(decrease) in trade and other payables		(591)	34
Net increase/(decrease) in unpaid employee benefits		(2)	11
Net increase/(decrease) in other provisions		(47)	44
Net increase/(decrease) in other liabilities		10	29
Net cash provided by (or used in) operations		4,673	6,294

(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	2,181	1,987

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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 AND NON-CURRENT)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions/Activities										
Economic Development	187	994	299	312	(112)	682	150	325	656	660
Protection of the Environment	5	2	12	10	(7)	(8)	–	–	–	–
Sport & Recreation	284	199	1,311	1,240	(1,027)	(1,041)	36	31	18,366	17,545
Transport & Communication	1,289	1,290	4,920	4,841	(3,631)	(3,551)	1,279	1,281	60,706	61,761
Other Purposes	235	237	1,438	743	(1,203)	(506)	–	–	7,574	7,876
Mining, Manufacturing & Construction	44	42	189	187	(145)	(145)	–	–	–	–
Community Amenities	127	146	2,319	2,133	(2,192)	(1,987)	–	–	13,682	13,945
Health & Welfare	77	64	75	80	2	(16)	–	–	1,085	1,090
Public Order & Safety	36	35	86	75	(50)	(40)	–	–	272	277
Administration	11,790	11,263	2,386	2,611	9,404	8,652	2,117	1,842	10,523	10,371
Total Functions/Activities	14,074	14,272	13,035	12,232	1,039	2,040	3,582	3,479	112,864	113,525

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 and forming part of the Financial Statements

for the year ended 30 June 2023

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 and forming part of the Financial Statements

for the year ended 30 June 2023

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 1.05% and 4.30% (2022: 0.25% and 1.05%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and 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% (2022: 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 and 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 and 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 and 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 and forming part of the Financial Statements

for the year ended 30 June 2023

Note 13. Financial instruments (continued)

Terms and 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 (6 monthly for fixed loans); interest is charged at fixed (or variable) rates between 3.75% and 6.65% (2022: 2.05% and 6.40%).

Carrying Amount:

Approximates fair value.

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	6,243	–	–	6,243	6,243
Receivables	794	154	12	960	920
Total financial assets	7,037	154	12	7,203	7,163
Financial liabilities					
Payables	887	–	–	887	602
Current borrowings	1,241	–	–	1,241	1,241
Non-current borrowings	–	2,245	2,049	4,294	3,429
Total financial liabilities	2,128	2,245	2,049	6,422	5,272
Total financial assets and liabilities	9,165	2,399	2,061	13,625	12,435
2022					
Financial assets					
Cash and cash equivalents	6,217	–	–	6,217	6,217
Receivables	385	188	49	622	618
Total financial assets	6,602	188	49	6,839	6,835
Financial liabilities					
Payables	1,259	–	–	1,259	1,259
Current borrowings	2,348	–	–	2,348	2,348
Non-current borrowings	–	2,359	1,920	4,279	3,479
Total financial liabilities	3,607	2,359	1,920	7,886	7,086
Total financial assets and liabilities	10,209	2,547	1,969	14,725	13,921

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.72%	3,019	2.80%	2,348
Fixed interest rates	4.85%	1,651	4.82%	1,131
		<u>4,670</u>		<u>3,479</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.

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 and 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	2023	2022
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	75	25
Infrastructure	361	317
Plant and equipment	764	61
	<u>1,200</u>	<u>403</u>
These expenditures are payable:		
Not later than one year	1,200	403
	<u>1,200</u>	<u>403</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 15. Financial indicators

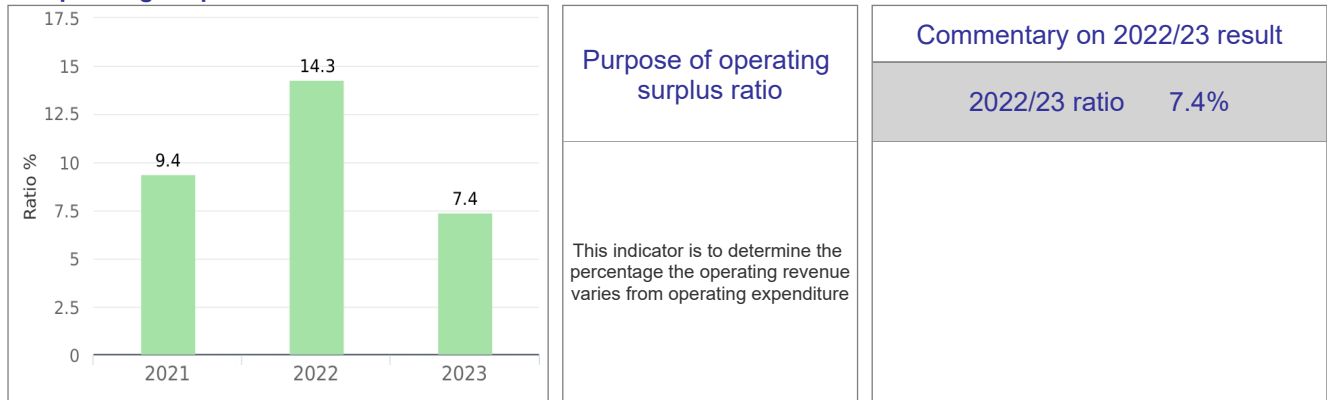
	Indicator 2023	Indicators 2022	Indicators 2021
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating surplus	7.4%	14.3%	9.4%
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	(3)%	12%	16%
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>			
Adjusted Operating Surplus Ratio			
Operating surplus	2.7%	10.8%	9.1%
Total operating income			
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 Net Financial Liabilities Ratio			
Net financial liabilities	13%	23%	24%
Total operating income			
3. Asset Renewal Funding Ratio			
Asset renewals	66%	124%	79%
Infrastructure and Asset Management Plan required expenditure			
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

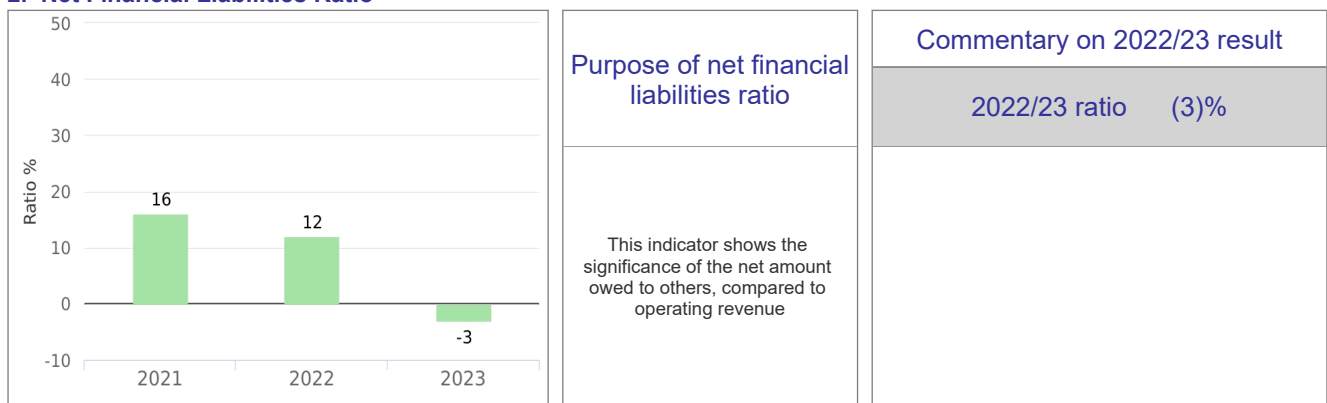
Note 15. Financial indicators (continued)

Financial indicators - graphs

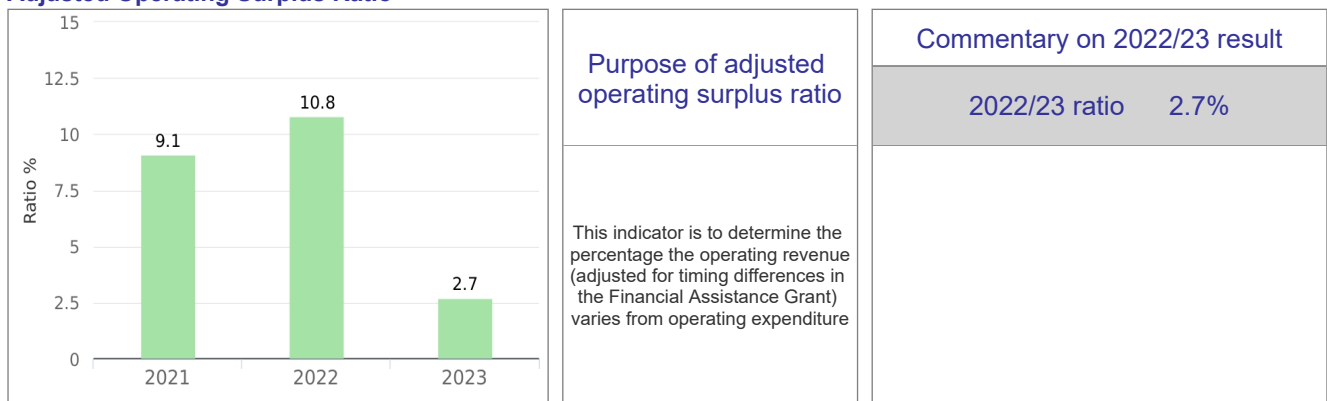
1. Operating Surplus Ratio



2. Net Financial Liabilities Ratio



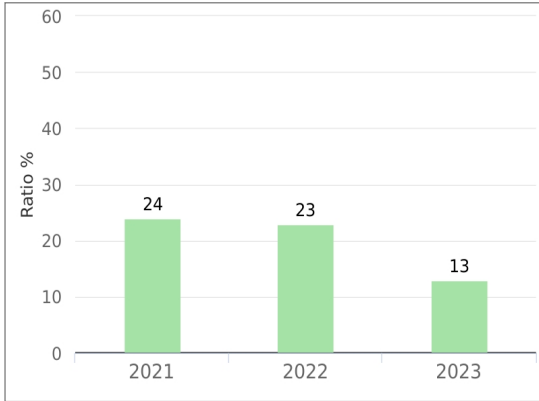
Adjusted Operating Surplus Ratio



Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 15. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio



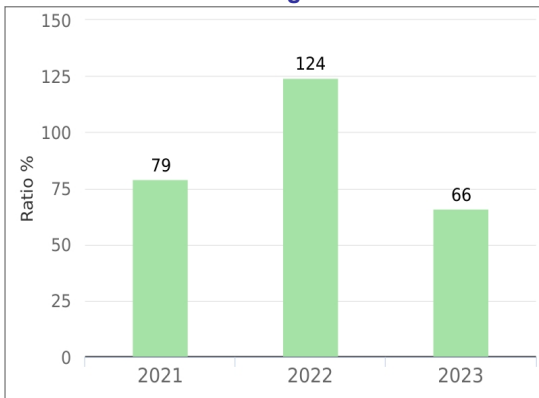
Purpose of adjusted net financial liabilities ratio

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 2022/23 result

2022/23 ratio 13%

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 2022/23 result

2022/23 ratio 66%

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 16. Uniform presentation of finances

\$ '000	2023	2022
<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		
Rates	9,531	9,279
Statutory charges	146	133
User charges	194	191
Grants, subsidies and contributions - capital	–	639
Grants, subsidies and contributions - operating	3,582	3,479
Investment income	86	40
Reimbursements	150	153
Other income	385	358
Total Income	14,074	14,272
Expenses		
Employee costs	4,226	3,770
Materials, contracts and other expenses	3,859	3,478
Depreciation, amortisation and impairment	4,784	4,801
Finance costs	166	183
Total Expenses	13,035	12,232
Operating surplus / (deficit)	1,039	2,040
Adjusted Operating surplus / (deficit)	1,039	2,040
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(3,188)	(5,809)
Add back depreciation, amortisation and impairment	4,784	4,801
Add back proceeds from sale of replaced assets	46	102
	1,642	(906)
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(870)	(1,599)
Add back amounts received specifically for new and upgraded assets	480	880
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	–	62
	(390)	(657)
Annual net impact to financing activities (surplus/(deficit))	2,291	477

Note 17. Leases

Council does not have any Leases.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 18. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Host Plus (formerly Statewide Super 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 (10.50% in 2022/23; 10.00% in 2021/22). 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 2020/21) 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 and forming part of the Financial Statements

for the year ended 30 June 2023

Note 19. Contingencies and assets/liabilities not recognised in the balance sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, 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 \$175,673 (2022: \$212,487) 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 20. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2023, 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 and forming part of the Financial Statements for the year ended 30 June 2023

Note 21. 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, 22 persons were paid the following total compensation.

\$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	792	763
Post-employment benefits	66	–
Termination benefits	139	–
Total	997	763

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

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 2023, 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 2023, 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

A handwritten signature in black ink, appearing to read 'S. Creten', with a large loop at the start and several smaller loops following.

SAMANTHA CRETEN
Director

22 November 2023

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

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

Opinion

In our opinion, the Northern Areas Council (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 2022 to 30 June 2023.

Basis for opinion

We have audited the Internal Controls of 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 2022 to 30 June 2023 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 perform 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 design 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
Director

General Purpose Financial Statements

for the year ended 30 June 2023

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 2023, 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*.



Kelly Westell
Chief Executive Officer



Ian Swan
Presiding Member, Audit Committee

Date: 30 October 2023

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

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 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



SAMANTHA CRETEN
Director

DEAN NEWBERY

22 November 2023

Legatus Group Annual Report 2022/23

The Legatus Group is a regional subsidiary of 15 councils:

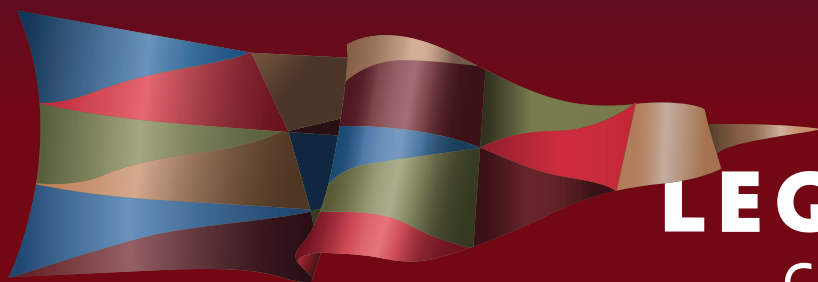
- Adelaide Plains Council
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Mount Remarkable
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Light Regional Council
- Northern Areas Council
- Port Pirie Regional Council
-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

- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council

Legatus must each year produce an Annual Report summarising its activities, achievements and financial performance for the preceding financial year.

The Annual Report must be provided to the constituent Councils and it is a requirement under the Local Government Act that this report must be incorporated into the annual report of the council.





LEGATUS
GROUP

ANNUAL REPORT

2022 / 2023



*Legatus Group:
Regional Local Government
ambassador and advocate*

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority and continues as a regional subsidiary of its establishing councils under Part 2 of Schedule 2 of the Local Government Act 1999 ("the Act") by virtue of the provisions of Section 43 of the Local Government (Implementation) Act 1999.

In 2016 the Central Local Government Region of South Australia adopted the name of the Legatus Group to which it is now referred.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

THE LEGATUS GROUP CHARTER CLAUSE 6.3 ANNUAL REPORT

- 6.3.1 *The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.*
- 6.3.2 *The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.*
- 6.3.3 *The Annual Report must be provided to the Constituent Councils by 30 September each year.*

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

In 2016 the Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is now referred.

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

CONTACT DETAILS

Address: 20 King Street Mintaro SA 5415 PO Box 1 Mintaro SA 5415

Telephone: 0407819000

Email: ceo@legatus.sa.gov.au

Website: www.legatus.sa.gov.au

LEGATUS GROUP BOARD OF MANAGEMENT

The Board consists of all principal members (Mayors) of the Constituent Councils which for 2022/2023 saw changes following the November 2022 elections.

COUNCIL	DELEGATE
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare & Gilbert Valleys Council	Mayor Wayne Thomas - Mayor Allan Aughey OAM
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Phillip Heaslip - Mayor Stephen McCarthy
District Council of Orroroo Carrieton	Mayor Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Ben Browne - Mayor Sue Scarman
Port Pirie Regional Council	Mayor Leon Stephens
Regional Council of Goyder	Mayor Peter Matthey OAM - Mayor Bill Gebhardt
The Barossa Council	Mayor Bim Lange OAM
The Flinders Ranges Council	Mayor Greg Flint - Mayor Ken Anderson
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Darren Braund

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

OFFICE BEARERS FOR 2022/23

POSITION	DELEGATE
Chairman	Mayor Phillip Heaslip until 9 September 2022 then Mayor Rodney Reid
Deputy Chairs	Mayor Bill O'Brien Mayor Rodney Reid until 9 September 2022 Mayor Ken Anderson from 19 May 2023
South Australian Regional Organisation of Councils	Mayor Bill O'Brien Mayor Peter Matthey OAM until 18 August 2023 then Mayor Rodney Reid
Chief Executive Officer	Mr Simon Millcock
Auditor	Dean Newbery and Partners

The following meetings of the Board of Management were held during the 2022/23 year:

- 18 August 2022 Special Meeting online
- 9 September 2022 Annual General Meeting - Burra
- 9 September 2022 Ordinary General Meeting - Burra
- 16 December 2022 Ordinary General Meeting - Kadina
- 10 February 2023 Ordinary General Meeting - Port Pirie
- 19 May 2023 Ordinary General Meeting - Bundaleer North
- 2 June 2022 Special Meeting online

There were five advisory committees in 2022/2023:

- Audit and Risk Management Committee
- Regional Management Group
- Road Transport and Infrastructure Advisory Committee
- Waste Management Advisory Committee
- Community Wastewater Management Advisory Committee

All agendas and minutes from the Board meetings and these committees are published on the Legatus Group Website.

All advisory committee minutes were provided with the agendas to the Legatus Group meetings.

The Constituent Councils are provided during the year with Board Agendas, Minutes, Annual Report, Business Plan, Budget and Financial Reports.



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

COMMITTEE MEMBERS

AUDIT COMMITTEE	MEMBERS
	<ul style="list-style-type: none">• Mayor Kathie Bowman (Orroroo Carrieton)• Mayor Rodney Reid (Wakefield)• Mr Peter Ackland (Port Pirie)• Mr Stephen Rufus (Chair) (Peterborough)• Mr Ian McDonald (Independent)

MANAGEMENT GROUP (COUNCIL CEOS)	MEMBERS
	<ul style="list-style-type: none">• Mr Sam Johnson OAM (Mt Remarkable)• Mr James Miller (Adelaide Plains)• Mr Martin McCarthy (Barossa)• Ms Maree Wauchope (Barunga West)• Dr Helen Macdonald (Clare & Gilbert Valleys)• Mr Russell Peate (Copper Coast)• Mr Eric Brown (Flinders Ranges)• Mr David Stevenson (Goyder)• Mr Richard Dodson (Light)• Ms Kelly Westell (Northern Areas)• Mr Paul Simpson (Orroroo Carrieton)• Mr Stephen Rufus (Peterborough)• Mr Peter Ackland (Pirie Regional)• Mr Andrew MacDonald (Wakefield) (Chair)• Mr Andrew Cameron (Yorke Peninsula)



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

COMMITTEE MEMBERS

ROAD TRANSPORT INFRASTRUCTURE ADVISORY COMMITTEE	MEMBERS
	<ul style="list-style-type: none">• Dr Helen Macdonald (Clare & Gilbert Valleys) (Chair)• Mayor Leon Stephens (Port Pirie)• Lee Wallis (Goyder)• Steve Kaesler (Barossa)• Tim Neumann (Copper Coast)• Andre Kompler (Yorke Peninsula)• Karen Lee-Jones (Department of Planning, Transport and Infrastructure)• Daniel Willson (CEO RDA YMN)• Stuart Roberts (Wakefield)• Mitchell Foote (Flinders Ranges)

WASTE MANAGEMENT ADVISORY COMMITTEE	MEMBERS
	<ul style="list-style-type: none">• Mayor Mark Wasley (Adelaide Plains) (Chair)• Ivan Nolte (Copper Coast)• Tom Jones (Adelaide Plains)• Aaron Curtis (Barossa)• Glen Growden (Wakefield Regional)• Andre Kompler (Yorke Peninsula)• Lynette Seccafien (Adelaide Plains)• Stephen Rufus CEO (Peterborough)

COMMUNITY WASTE MANAGEMENT ADVISORY COMMITTEE	MEMBERS
	<ul style="list-style-type: none">• Mayor Leon Stephens (Port Pirie) (Chair)• Gary Easthope (Clare and Gilbert Valleys)• Grant Smith (Yorke Peninsula)• Nathan Berry (Light)• Kirsty Morgan (Wakefield)

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN'S REPORT MAYOR RODNEY REID

“ *It has been an honour to have been elected as Chairman of the Legatus Group at the September 2022 AGM and to move from previous role as Deputy.* ”

Firstly, I wish to acknowledge that there has been 5 new members to the board with 4 new Mayors and 1 returning Mayor which has provided some level of continuity. The Local Government elections in late 2022 did cause some level of complexity around appointments and decision making. With this in mind we held an induction session and following the board's approval we distributed a draft strategic plan and I took the opportunity to visit all member councils along with our CEO.

It was a pleasure to have Mayor Bill O'Brien as a Deputy Chairman and fellow member of the South Australian Regional Organisation of Councils (SAROC) and to welcome Mayor Ken Anderson in May 2023 as a joint Deputy Chairman.

At the May 2023 meeting Mayor Bowman announced her intention to resign and the Legatus Group thanked her for her long service to her community and the Legatus Group including as inaugural member of the Legatus Group Audit and Risk Management Committee.

There had been a decline in the attendance at board meetings prior to my appointment plus a break down in the connections between the Management Group (CEOs) and their involvement with the board.

I am of the opinion that this has since turned the corner following a workshop I attended with the Management Group and a new approach to the board meetings agendas which includes relevant examples of projects and programs from member councils.

The Legatus Group at the 19 May 2023 meeting committed to having an independent review of the charter and the strategic plan which is designed to assist in clarifying our direction. This will allow both Board Members and the CEOs to be further engaged on the future of the Legatus Group and allow them to provide input to their member councils.

It should be noted that the Barunga West Council has provided the 18 months' notice required of their withdrawal of membership according to our charter and CEO Simon Millcock acknowledged this through a return email to Barunga West Council.

The board has taken an approach over the past five years to not significantly increase members fees whilst using the reserves to undertake both administration and project work including the appointment of an Administration Officer. The board last year noted this needed reviewing in 2022/2023, which occurred through our Annual Business Plan and Budget for 2023/2024, whilst the plan to meet the targets for our reserves as previously agreed to by June 2023 occurred.

For the second year in a row the Legatus Group has paid for the membership of member councils to the SA Coastal Council Alliance. With a desire from the members seeking more user pay for the various projects taken on by Legatus, the funding for the SA Coastal Council Alliance memberships has not been included in the adopted Legatus 2023/2024 budget.

The board has continued to focus on the key areas of:

- Roads and Transport Infrastructure
- Waste Management – including Wastewater
- Community Capacity Wellbeing
- Environmental Stainability



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN'S REPORT

MAYOR RODNEY REID (CONTINUED)

The Legatus Group provides a pivotal role to member councils in advocating on regional and state-wide issues and this has included:

- Rating equity associated with major energy producers continues through the recommendations and reports by the Legatus Group to the LGA.
- Wellbeing and Mental Health with a delegation of local MPs' Lifeline and the Legatus Group meeting with Minister for Health to gain support for retaining and expanding the Community Connect Centre model delivered by Lifeline. This included attendance by Dr John Brayley Chief Psychiatrist to the December 2022 Legatus Group meeting.
- Assisted with matters relating to Community Wastewater Management Schemes which saw a review and CWMS reform program.
- Delivery of the Northern and Yorke Drought Resilience Plan in partnership with Regional Development Australia Organisations and the Northern and Yorke Landscape Board.
- Review of the methodology used in assessing applications for the Special Local Roads Program.
- The role of Regional LGAs and SAROC to reduce any ambiguity associated with the Regional LGAs being able to provide reports to SAROC so that they can provide both a filtering mechanism for members and submit appropriate reports to SAROC.
- Support to the Flinders Ranges Council in their approach to have a review of appointments to LGA Board and SAROC and timing of the AGM.
- Support to the Goyder Council in their advocacy on the lack of backup power to telecommunications towers.
- Recommendations that the LGA consider creating a new committee for areas of support sought by member councils associated with CWMS.
- Support to the Flinders Ranges Council in their advocacy for the reintroduction of electronic attendance by Councillors at Council meetings.
- Approach by the Legatus Group to lobby for increased funding for the SLRP Program.
- Support to the Orroroo Carrieton Council opposition to the model Fee Structure being set by ESCOSA.



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN'S REPORT MAYOR RODNEY REID (CONTINUED)

The Legatus Group provided support at a regional and state level with forums, workshops and webinars which attracted over 400 people throughout the year and they included:

- SA CWMS Conference (partnership with LGA) - Adelaide
- Legatus Group Waste Forum (partnership with KESAB) – Peterborough
- Prosper! Interdisciplinary solutions for Prosperous Regions Forum (partnership UniSA) - Nuriootpa
- Yorke Mid North Alliance Regional Planning Forum (partnership Northern and Yorke Alliance) - Tanunda
- Legatus Group Regional Roads Forum – Maitland
- Accessible Tourism Forum (partnership Catalyst Foundation) – Kadina
- Ageing and Disability Lifestyle Expo – Kadina
- Community Development Forum – Burra
- Native Foods Cultural Awareness Forum – Quorn
- Urban Sustainability Forum – Freeling

Key reports and projects supported this year by the Legatus Group were:

- Updated Report - Wellbeing Gap Analysis Legatus Group Northern Councils released.
- Attracting, Developing and Retaining Regional Local Government Workforce Report released.
- Career Pathways & Workforce Toolkit for Regional SA Councils commenced.
- MoU established with Lions International to support Waste reduction.
- Northern and Yorke Community Continuity Planning for Disasters.
- Stormwater Harvesting.
- Legatus Group Regional Local Roads Plan database updates and Expansion of Regional Road Transport GIS and including Bridge and Culverts.
- NHVR Strategic Local Government Asset Assessment Project with National Heavy Vehicle Regulator.
- CWMS on-line training project.
- Assessment of Bridge and Culverts report
- Legatus Group Waste and Resource Recovery Strategy and Action Plan 2021-2026.
- Northern and Yorke Climate Change Sector Agreement.
- Northern and Yorke Drought Resilience Plan.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN'S REPORT

MAYOR RODNEY REID (CONTINUED)

Direct support has been provided to grant applications for the region which have resulted in close to \$4.5m of value to the region. They include:

- 2022 SLRP grants resulting in \$4.056m across 4 councils from a total \$13.356m allocated to regional councils in 2022 or approx. 30% of the funding.
- Preparing your community for disasters and emergencies – Northern and Yorke Region of SA secured \$92,000 funding from SAFECOM.
- Pilot Organics Processing Plant at Peterborough (successful).
- Carbon Offsetting for Local Government – being led by City of Adelaide (successful).
- Climate Resilient Asset Capacity Augmentation for Community Wastewater Management with Constructed Floating Wetland Systems – being led by UniSA (successful).
- Caravan / RV Dump Point Project – being led by Flinders University (successful).
- LG Career Pathways & Workforce Toolkit for Regional SA Councils – being led by Torrens University (successful).
- Landscape Board Future Drought Fund: Extension and Adoption of Drought Resilience Farming Practices Grants Program application.
- Adelaide Plains Council Heavy Vehicle Safety Initiative.
- Uni SA Solar PV Recycling.

The Legatus Group continued to support the South Australia Drought Resilience Adoption and Innovation Hub as a Local Government project partner.

There has been significant support for equity associated with the Special Local Roads Program funding and we were pleased to see the positive outcomes especially for the Yorke Peninsula Council application.

We continue to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and the Northern and Yorke Landscape Board.

The Legatus Group have supported and are an active partner in the Northern and Yorke Landscape Board Aboriginal Engagement Committee.

The board has made a concerted effort to reduce the amount of project work being undertaken and progress more on advocacy and providing a partnership approach with others on projects.

The Legatus Group CEO and staff committed large amounts of time to the development of many Conferences and Forums which have all been highly regarded and of great value to those attending and especially member councils. I also note with positivity the CEO efforts to support regional councils across the State.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN'S REPORT

MAYOR RODNEY REID (CONTINUED)

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance and recommendations around variations to our policies. The other advisory committees have played a key role in supporting and recommending actions to the board. It is pleasing to see more board members and council staff being active on these committees. I would like to acknowledge all the Board members and council CEOs and staff who have committed time to the Advisory Committees.

I thank CEO Simon Millcock for the reports prepared and the introduction of the bi-monthly newsletter which is distributed to stakeholders and partners in all spheres of government. I wish to thank him for his commitment and passion for the local government sector and his willingness to work with all members and to accept and progress the ongoing changes within the Legatus Group.

2022/2023 has been a year of listening to each other, learning from each other and redirecting our focus as we work together to support and strengthen our region.



Mayor Rodney Reid

Chairman Legatus Group

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CEO REPORT MR SIMON MILLCOCK

“ Firstly, I would like to acknowledge the support provided to me by Chairman Mayor Rodney Reid and Deputy Chairman Mayor Bill O’Brien, Board Members, CEOs, Committees, Regional Partners and the Legatus Group staff over the past year.

This year saw the focus on a more consolidated approach to advocacy and increased partnerships.

There were three grants secured in 2023/2024 which were:

1. **Regional Capacity Building Allocations – LGA**
2. **Joint Services Arrangements CWMS – LGA CWMS**
3. **Preparing your community for disasters and emergencies – SAFECOM**

Items 2 and 3 allowed for the employment of part time Project Officers Dr Paul Chapman and Robert Bunch. All contracts for grants and projects have been reported on according to the agreements with a delay experienced in securing the first payment of the SAFECOM funds due to the reference group meeting late in June 2023 to approval a draft document required by SAFECOM.

This year 54% of the Legatus Group’s income came from its membership fees. The 15-member council contributions during the previous six years had been on average around 30% of the Legatus Group income.

Due to a reduction in project work, there were less grants obtained although they did make up around 33% of the Legatus Group income. Interest rates increased, which resulted in a better than predicted return on investment income.

This reduction in grant funding was also reflected in a major reduction in contractor and consultant costs compared to the previous 4-5 years.

Areas with increases in expenses to those budgeted were due to motor vehicle costs as the change over to a new vehicle was not able to occur due to supply delays. The meeting and conference costs were substantially higher than the previous year but this was budgeted for as the Legatus Group had responsibility to manage the Annual Forum for the Northern and Yorke Alliance. Telephone, Internet and Websites were around half of the costs from 2022 and this was due to working from home and the website being updating in 2022.

The financial result is that the Legatus Group continues to be in a sound financial position to cover its forthcoming liabilities and within the targets set by the board for its reserves. Previous decisions by the Legatus Group were to have around 18 months of operational costs / commitments available with some funds as a contingency for any possible immediate project. The amount that has been identified previously was \$450,000 and this year the amount in the accumulated surplus and other reserves is just slightly under \$500,000.

The Legatus Group budget for 2022/2023 had shown an operating deficit of \$172,800 and the actual deficit was \$119,340. Noting that the instalments from SAFECOM of \$42,000 and \$3,000 from the LGA for projects whilst invoiced were not received by 30 June 2023.

The closure of the Legatus Group office has continued to assist with reduced administration costs with all staff working from their home offices. Plus, there was a reduction in travel required by the CEO although this was countered by the inability to secure a new vehicle so vehicle maintenance costs were higher.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CEO REPORT

MR SIMON MILLCOCK (CONTINUED)

The board has noted that the current use of reserves to fund administration costs is not sustainable and following support from 11 of the member councils for the 2023/2024 Legatus Group Business Plan and Budget there will be an increase in membership fees. This will be further addressed in the coming year with a review of the Charter and Strategic Plan.

This year saw my attendance and delivery of agendas, minutes and reports to over 40 Legatus Group Board, Advisory Committees, Yorke Mid North Alliance and SAROC meetings whilst managing the delivery of state and regional forums, workshops and webinars.

The board continued to support having a part time administration officer and the contract with Tracey Rains was extended and this has provided beneficial outcomes.

The 2 reviews of the Legatus Group Strategic Plan during the year were not able to reach a conclusion with the first version being approved by 14 of the 15 constituent councils and following the Local Government election the second version approved by 11 of the 15 constituent councils. As the charter requires all 15 member councils to approve this was not achieved.

I am a member of the Yorke Mid North Alliance, Regional LGA CEOs Forum and the Northern and Yorke Landscape Board Aboriginal Engagement Committee (proxy for Mayor O'Brien). Whilst I provided a regional voice to help support the local government sector in several areas including:

- EPA and the State of the Environment Report Assurance Group
- Orroroo and Roseworthy Drought Hub Nodes
- Local Govt Regional Climate Partnerships Network
- UniSA C-Edge Advisory Board
- Volunteer SA NT – Volunteer Strategy

The Legatus Group Website updates include increased information from all forums undertaken as a resource plus the bi-monthly CEO Newsletter gains positive feedback. The social media presence has continued to grow with increased followers on both Facebook and LinkedIn.



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CEO REPORT

MR SIMON MILLCOCK (CONTINUED)

Reports distributed and or published include:

- Legatus Group Road Transport Plan Expansion to now include QGIS and Roads Data Base Update.
- Wellbeing Gap Analysis from the Northern Councils Update.
- Attracting, Developing and Retaining Regional Local Government Workforce Report.
- Northern and Yorke Drought Resilience Plan.

Projects which have commenced and that are being supported are:

- Preparing your community for disasters and emergencies – Northern and Yorke Region of SA (Legatus Group).
- Extending the capacity of regional Community Wastewater Management Systems (UniSA).
- Local Government Career Pathways & Workforce Toolkit for Regional South Australia (Torrens University).
- Stormwater Harvesting (Space Down Under).
- Carbon Offsetting for Local Government (consortium of councils via City of Adelaide).
- Caravan / RV Dump Point Project (Flinders Uni).
- Prosperous Regions Conference (UniSA).
- Native Foods Supply Chain (UniSA).
- Drought Future Fund - Community Impact project (Northern and Yorke Alliance via RDA BGLAP).
- Northern and Yorke Landscape Board Resilient Coastal Ecosystems on YP and Gulf and Ranger Project.
- NHVR / Legatus Group Heavy Vehicle Priority Route Collaboration.
- District Council of Peterborough Pilot Organics Processing Plant.

Whilst support was provided to:

- Adelaide Plains Councils application for Heavy Vehicle Safety Initiative.
- UniSA Solar PV Recycling.
- LGA application to the Coastal and Estuarine Risk Mitigation Program.
- LGA Building Sector Capability Project.
- UniSA Support for uaDA Grant - Digital Data Connectivity and Sharing Platform for Climate Resilience and Adaptation Planning in Regional SA.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CEO REPORT MR SIMON MILLCOCK

Advocacy support continues to be a priority and this has included.

- Legatus Group request for changes to SLRP applications.
- Legatus Group support for an LGA CWMS Advisory Committee.
- Yorke Peninsula Council with the North Coast Road Point Turton SLRP application.
- The Flinders Ranges Council re Councillor participation at council meetings through electronic means.
- District Council of Orroroo Carrieton re Equity in cost by ESCOSA.
- Lifeline Community Connect – Centralised model for the delivery of Mental Health.
- Rating Equity for Councils from Power Generators.

The second half of the year has seen the LGA advise that Regional LGAs previous approach for engagement as both a filtering mechanism and being able to provide direct reports on matters to SAROC is not supported. This has caused a level of concern in the Legatus Group and this is being addressed by the LGA and Regional LGAs.

I sincerely thank the support I received from Paul Chapman, Tracey Rains, Robert Bunch and Colin Davies. Working in isolation across a broad region has its challenges but the resulting work from all reflected well for the Legatus Group.



Simon Millcock

CEO Legatus Group

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

CHAIRMAN LEGATUS GROUP AUDIT AND RISK COMMITTEE – STEPHEN RUFUS

This is a summary of activities undertaken, and recommendations made during 2022-2023.

The committee met on 4 occasions.

DATE	NO OF MEMBERS ATTENDING
25 August 2022	5
8 December 2022	3
31 January 2023	4
5 May 2023	5

COMMITTEE MEMBER	NO OF MEETINGS ATTENDING
Mayor Kathie Bowman	3
Mayor Rodney Reid	4
Peter Ackland	2
Stephen Rufus	4
Ian McDonald	4



ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

The following table sets out the principal issues addressed by the Committee for 2022-2023.

PRINCIPAL ISSUES EXAMINED	COMMENT
Audit Committee Chair	That there is an Independent Member of the Audit Committee to Chair approved and Stephen Rufus appointed.
Annual Financial Report	No issues, unqualified audit, adopted for the 21/22 financial year.
Review of Budget Against Actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for business plan and budgets.
Review of Work Plan, Internal Controls	<ol style="list-style-type: none">1. Work planned maintained and adoption of recommendations by Auditor re policies.2. Recommended and supported workshop on strategic plans and long term financial plan with appropriate recommendations to the board.
Charter	Recommended the Legatus Group adopt a variation to the Legatus Group Charter regrading adoption of Annual Business Plan and Budget.
Business, Budget and Strategic Plan	<ol style="list-style-type: none">1. Monitored the 2022-2023 business plan and budget and its quarterly updates.2. Noted, supported and provided input to Legatus Group Strategic Plan reviews.3. Reported on a need to align the Business Plan and Budget to Strategic Plan.4. Recommended a procedure be developed for preparing the annual business plan and budget.5. Recommended a review be undertaken of the formatting for the Long Term Financial Plan.
Policies	Recommendations to the board for adoption of 3 new policies: <ul style="list-style-type: none">• Board Induction• Records and Information Management• Risk Management
Membership	The final meeting noted the contribution Mayor Kathie Bowman had provided to the committee.
Equity / Reserves	Recommendations to Board on the levels to be held.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

CENTRAL LOCAL GOVERNMENT REGION OF SA

TRADING AS



ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

1 JULY 2022 - 30 JUNE 2023

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2023

TABLE OF CONTENTS

	<u>Page</u>
Certification of Financial Statements	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	8
Note 2 - Income	11
Note 3 - Expenses	12
Note 4 - Current Assets	13
Note 5 - Plant & Equipment	14
Note 6 - Liabilities	15
Note 7 - Reserves	15
Note 8 - Reconciliation of Cash Flow Statement	16
Note 9 - Functions	16
Note 10 - Financial Instruments	17
Note 11 - Financial Indicators	18
Note 12 - Uniform Presentation of Finances	19
Note 13 - Related Party Disclosures	20
Note 14 - Contingencies & Assets & Liabilities Not Recognised	21
Note 15 - Events Occurring After Reporting Date	21
Audit Report - Financial Statements	
Audit Report - Internal Controls	
Group Certificate of Audit Independence	
Audit Certificate of Audit Independence	

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS


LEGATUS GROUP


ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Legatus Group to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fair view of the Legatus Group's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Legatus Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Legatus Group's accounting and other records.


.....
Simon MILLCOCK
CHIEF EXECUTIVE OFFICER


.....
Mayor Rodney REID
CHAIR

Date: 25 August 2023.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
INCOME			
Council Contributions	2	173,850	170,400
Grants, subsidies and contributions	2	107,600	93,783
Investment income	2	22,035	7,032
Other income	2	18,329	3,108
Total Income		321,814	274,323
EXPENSES			
Employee costs	3	272,632	263,171
Materials, contracts & other expenses	3	167,150	305,395
Depreciation, amortisation & impairment	3	1,372	7,209
Total Expenses		441,154	575,775
OPERATING SURPLUS / (DEFICIT)		(119,340)	(301,453)
Other Comprehensive Income		-	-
NET SURPLUS / (DEFICIT)		(119,340)	(301,453)
TOTAL COMPREHENSIVE INCOME		(119,340)	(301,453)

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2022

		2023	2022
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	504,240	657,733
Trade & other receivables	4	91,100	2,152
Total Current Assets		595,340	659,885
Non-current Assets			
Infrastructure, property, plant & equipment	5	13,409	13,872
Total Non-current Assets		13,409	13,872
Total Assets		608,749	673,757
LIABILITIES			
Current Liabilities			
Trade & other payables	6	74,037	15,037
Provisions	6	13,457	23,881
Total Current Liabilities		87,494	38,918
Non-current Liabilities			
Provisions	6	21,423	15,667
Total Non-current Liabilities		21,423	15,667
Total Liabilities		108,917	54,585
NET ASSETS		499,832	619,172
EQUITY			
Accumulated Surplus		230,062	349,402
Other Reserves	7	269,770	269,770
TOTAL EQUITY		499,832	619,172

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2023

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
	Notes	\$	\$	\$
2023				
Balance at end of previous reporting period		349,402	269,770	619,172
Net Surplus / (Deficit) for Year		(119,340)	-	(119,340)
Other Comprehensive Income				
Transfers between reserves	7	-	-	-
Balance at end of period		230,062	269,770	499,832
2022				
Balance at end of previous reporting period		650,854	269,770	920,624
Net Surplus / (Deficit) for Year		(301,453)	-	(301,453)
Other Comprehensive Income				
Transfers between reserves	7	-	-	-
Balance at end of period		349,402	269,770	619,172

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

		2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Council Contributions		173,850	170,400
Investment receipts		22,035	7,032
Grants utilised for operating purposes		18,652	131,599
Reimbursements		-	-
Other revenues		18,329	3,108
<u>Payments</u>			
Employee costs		(277,300)	(255,086)
Materials, contracts & other expenses		(108,150)	(327,520)
Net Cash provided by (or used in) Operating Activities	8	(152,584)	(270,467)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(909)	(1,720)
Purchase of investment property		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loans made to community groups		-	-
Capital contributed to equity accounted Council businesses		-	-
Net Cash provided by (or used in) Investing Activities		(909)	(1,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
Proceeds from aged care facility deposits		-	-
<u>Payments</u>			
Repayments of borrowings		-	-
Repayment of finance lease liabilities		-	-
Repayment of aged care facility deposits		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(153,493)	(272,187)
Cash & cash equivalents at beginning of period	8	657,733	929,919
Cash & cash equivalents at end of period	8	504,240	657,733

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of Preparation

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

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

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

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

The Constituent Councils are:

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

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

1.3 Income recognition

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

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables for generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

1.5 Vehicles & Contents

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

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

Contents	\$2,000
Motor Vehicles	\$5,000

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are shown below.

Contents	1 to 5 years
Motor Vehicles	3 to 5 years

1.6 Payables

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

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

1.7 Employee Benefits

Salaries, Wages & Compensated Absences

The Group has 2 FTE employees as at the 30 June 2023, a Chief Executive Officer, a part-time Project Officer and a part-time Admin Officer. Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government 10 year bond rates.

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1.8 Superannuation

The Group contributes the statutory 10.5% SGC superannuation to the nominated superannuation funds for all staff. This will increase to 11.0% for the 2023-24 financial year.

1.9 GST Implications

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

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

1.10 Leases

In the previous year, the Group performed an assessment of the potential impact of AASB 16 *Leases*. The Group was only engaged in a short-term lease as per Section 5 of AASB 16 and therefore the lease was recognised as an operating expense on a straight-line basis over the term of the lease. There were no leases for the year 22-23.

1.11 New Accounting Standards

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

The Group has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2023 reporting period and have not been used in preparing these reports.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvement 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 17 Insurance Contracts

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

1.12 Economic Dependencies

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

1.13 Disclaimer

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

1.14 Comparative Information

During the financial year, the Group has reviewed the allocation and classification of some transactions which have been updated in the comparative information presented. Changes in classification has resulted in no change to the previously reported financial performance and position of the Group.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

Note 2 - INCOME

	2023 \$	2022 \$
COUNCIL CONTRIBUTIONS		
<u>General Contribution</u>	<u>173,850</u>	<u>170,400</u>
	<u>173,850</u>	<u>170,400</u>
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	22,035	7,032
Banks	-	-
	<u>22,035</u>	<u>7,032</u>
OTHER INCOME		
Conference Registrations & Sponsorship	13,211	3,108
Sundry	5,118	-
	<u>18,329</u>	<u>3,108</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
CWMS	31,000	28,000
Disaster Recovery	29,100	-
Volunteering	7,500	-
Regional Capacity	40,000	42,783
SA Road Funding	-	15,000
NRM - - Landscape Priority	-	8,000
	<u>107,600</u>	<u>93,783</u>
<i>The functions to which these grants relate are shown in Note 10.</i>		
Sources of grants		
Commonwealth government	-	-
State government	29,100	8,000
LGA	71,000	85,783
Other	7,500	-
	<u>107,600</u>	<u>93,783</u>

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 3 - EXPENSES

	2023	2022
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	200,665	198,882
Employee leave expense	37,008	31,768
Superannuation	25,358	22,064
Workers' Compensation Insurance	2,920	4,232
Professional Development	461	127
FBT	6,220	6,098
Total Operating Employee Costs	272,632	263,171
Total Number of Employees	1.9	2.0
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,441	2,338
Subtotal - Prescribed Expenses	<u>2,441</u>	<u>2,338</u>
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	107,179	241,380
Legal Expenses	-	80
Unleaded Fuel	3,939	4,075
Other Motor Vehicle Costs	3,538	2,752
Members Allowances & Support	4,500	4,125
Meetings & Conferences	13,381	4,807
Insurance	10,537	8,921
Rental - Premises	-	9,603
Advertising	1,268	704
Accommodation	1,230	1,932
Airfares, Taxi Fares & Parking	223	263
Travel - Reimbursement	2,079	1,124
Catering & Meals	7,507	7,372
Telephone & Internet	2,981	3,871
IT & Web	5,354	10,963
Postage/Stationery	644	784
Sundry	349	300
Subtotal - Other Materials, Contracts & Expenses	<u>164,709</u>	<u>303,057</u>
	<u>167,150</u>	<u>305,395</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	1,372	5,489
Contents	-	1,720
	<u>1,372</u>	<u>7,209</u>

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash at Bank	38,081	12,324
Deposits at Call	466,159	645,409
	<u>504,240</u>	<u>657,733</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	1,780	495
Other levels of Government	89,320	-
GST / FBT Recoupment	-	1,657
	<u>91,100</u>	<u>2,152</u>

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2023

Note 5 - NON-CURRENT ASSETS - VEHICLES & CONTENTS

	2022				2023			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles	-	28,967	(15,095)	13,872	-	29,876	(16,467)	13,409
Contents	-	3,678	(3,678)	-	-	3,678	(3,678)	-
TOTAL PLANT & EQUIPMENT	-	32,645	(18,773)	13,872	-	33,554	(20,145)	13,409
<i>Comparatives</i>	-	32,915	(13,554)	19,361	-	32,645	(18,773)	13,872

	2022	CARRYING AMOUNT MOVEMENTS DURING YEAR							2023	
	\$	\$							Net	\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Motor Vehicles	13,872	909	-	-	(1,372)	-	-	-	-	13,409
Contents	-	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	13,872	909	-	-	(1,372)	-	-	-	-	13,409
<i>Comparatives</i>	19,361	1,720	-	-	(7,209)	-	-	-	-	13,872

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 6 - LIABILITIES

	2023		2022	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	-	-	2,205	-
Payments received in advance	49,100	-	7,500	-
Accrued expenses - employee entitlements	4,919	-	4,082	-
Accrued expenses - other	2,250	-	1,250	-
GST & PAYG	17,768	-	-	-
	<u>74,037</u>	-	<u>15,037</u>	-
PROVISIONS				
Employee entitlements - Annual Leave	13,457	-	23,881	-
Employee entitlements - Long Service Leave	-	21,423	-	15,667
	<u>13,457</u>	<u>21,423</u>	<u>23,881</u>	<u>15,667</u>

Note 7 - RESERVES

OTHER RESERVES	1/7/2022	Transfers to Reserve	Transfers from Reserve	30/6/2023
General Reserve	269,770	-	-	269,770
TOTAL OTHER RESERVES	<u>269,770</u>	-	-	<u>269,770</u>
<i>Comparatives</i>	<u>269,770</u>			<u>269,770</u>

PURPOSES OF RESERVES

Other Reserves

This reserve was established to provide for one year of basic operation (employee costs, vehicle costs, insurance, materials), should no revenue be received.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2023 \$	2022 \$
Total cash & equivalent assets	4	504,240	657,733
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>504,240</u>	<u>657,733</u>

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

Net Surplus (Deficit)	(119,340)	(301,453)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,372	7,209
Net increase (decrease) in unpaid employee benefits	(4,668)	8,085
	(122,636)	(286,159)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(88,948)	37,818
Net (increase) decrease in other current assets	(909)	-
Net increase (decrease) in trade & other payables	59,000	(22,125)
Net Cash provided by (or used in) operations	<u>(153,493)</u>	<u>(270,466)</u>

Note 9 - FUNCTIONS

The activities of the Region are categorised into the following programs, projects & activities:

- 1 A - Corporate Function
- 2 P001 - Regional & Community Sustainability
- 3 P006 - Disaster & Emergency Management
- 4 P009 - CWMS & Climate Change Co-ordinator
- 5 P017 - Waste Management Composting
- 6 P022 - Roads & Transport
- 7 P027 - Community Capacity Building
- 8 P028 - Regional Capacity Building
- 9 P034 - N&Y Coastal Management Action Plan
- 10 P038 - Regional Waste Strategy
- 11 P040 - Disability Inclusion Action Plan
- 12 P045 - Aboriginal Engagement Committee
- 13 P046 - DCP Pilot Organics Plant

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 10 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits **Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 4.30% as at 30 June 2023

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Trade & other debtors

Accounting Policy: Carried at nominal value.

Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.

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 Group.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Liquidity Analysis

	2023	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		\$	\$	\$	\$	\$
Cash & Equivalents		504,240	-	-	504,240	504,240
Receivables		91,100	-	-	91,100	91,100
Other Financial Assets		-	-	-	-	-
Total		595,340	-	-	595,340	595,340
Financial Liabilities						
Payables		2,250	-	-	2,250	2,250
Current Borrowings		-	-	-	-	-
Non-Current Borrowings		-	-	-	-	-
Total		2,250	-	-	2,250	2,250

	2022	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		\$	\$	\$	\$	\$
Cash & Equivalents		657,733	-	-	657,733	657,733
Receivables		2,152	-	-	2,152	2,152
Other Financial Assets		-	-	-	-	-
Total		659,885	-	-	659,885	659,885
Financial Liabilities						
Payables		1,250	-	-	1,250	1,250
Current Borrowings		-	-	-	-	-
Non-Current Borrowings		-	-	-	-	-
Total		1,250	-	-	1,250	1,250

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 11 - FINANCIAL INDICATORS

	2023	2022	2021
--	------	------	------

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

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

Operating Surplus Ratio

<u>Operating Surplus</u>	(37.1%)	(109.9%)	(49.8%)
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(151%)	(221%)	(148%)
Total Operating Income			

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

Asset Renewal Funding Ratio

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

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

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 12 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2023 \$	2022 \$
Income	321,814	274,323
Expenses	<u>(441,154)</u>	<u>(575,775)</u>
Operating Surplus / (Deficit)	(119,340)	(301,453)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	1,372	7,209
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	1,372	7,209
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(909)	(1,720)
Amounts received spec. for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	(909)	(1,720)
Net Lending / (Borrowing) for Financial Year	<u>(118,877)</u>	<u>(295,964)</u>

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 13 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 1 person was paid the following total compensation:

	2023	2022
	\$	\$
Salaries, allowances & other short term benefits	163,432	158,801
Member Allowance	4,500	4,125
Post-employment benefits	17,160	15,880
Long term benefits	-	-
FBT	6,220	6,098
Termination benefits	-	-
TOTAL	191,312	184,904

The Group received the following amounts in total:

	2023	2022
	\$	\$
Contributions for fringe benefits tax purposes	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year (inclusive of GST).	Received 2023	Outstanding 2023
	\$	\$
The Barossa Council	12,749	-
Barunga West Council	12,749	-
Clare and Gilbert Valleys Council	12,749	-
Copper Coast Council	12,749	-
The Flinders Ranges Council	12,749	-
Regional Council of Goyder	12,749	-
Light Regional Council	12,749	-
Adelaide Plains Council	12,749	-
District Council of Mount Remarkable	12,749	-
Northern Areas Council	12,749	-
District Council of Orroroo / Carrieton	12,749	-
District Council of Peterborough	12,749	-
Port Pirie Regional Council	12,749	-
Wakefield Regional Council	12,749	-
Yorke Peninsula Council	12,749	-
TOTAL	191,235	-

Description of Services provided to all Related Parties above:

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

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

FINANCIALS

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2023.

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2023 that need to be disclosed in the financial statements.

ANNUAL REPORT

LEGATUS GROUP - 2022 / 2023

FINANCIALS

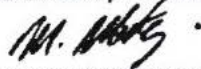
LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2023, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



CHIEF EXECUTIVE OFFICER
The Barossa Council



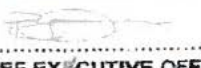
CHIEF EXECUTIVE OFFICER
Clare & Gilbert Valleys Council



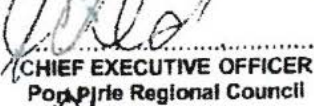
CHIEF EXECUTIVE OFFICER
The Flinders Ranges Council



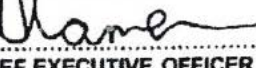
CHIEF EXECUTIVE OFFICER
Light Regional Council



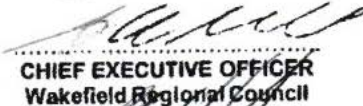
Acting CHIEF EXECUTIVE OFFICER
District Council of Mount Remarkable



CHIEF EXECUTIVE OFFICER
Port Pirie Regional Council



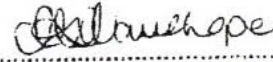
CHIEF EXECUTIVE OFFICER
York Peninsula Council



CHIEF EXECUTIVE OFFICER
Wakefield Regional Council



CHIEF EXECUTIVE OFFICER
Legatus Group



CHIEF EXECUTIVE OFFICER
Barunga West Council



CHIEF EXECUTIVE OFFICER
Copper Coast Council



CHIEF EXECUTIVE OFFICER
Regional Council of Goyder



CHIEF EXECUTIVE OFFICER
Adelaide Plains Council



CHIEF EXECUTIVE OFFICER
Northern Areas Council



CHIEF EXECUTIVE OFFICER
District Council of Orroroo Carleton



CHIEF EXECUTIVE OFFICER
District Council of Peterborough



CHAIR, Legatus Group
Audit & Risk Management Committee



CHAIR
Legatus Group

Date: 25 August 2023