



NORTHERN AREAS
COUNCIL



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CHIEF EXECUTIVE OFFICER'S THE YEAR IN BRIEF 2019-20

It is with great pleasure I present the 2019-20 Annual Report for the Northern Areas Council, highlighting the many achievements Council has made during the year.

Firstly, I must say this year has been a year that has never been seen before in Local Government "unprecedented" is the word that has been used to describe the COVID 19 pandemic.

The operations of Council have had to be adjusted significantly from early in the 2020 calendar year to adhere to the restrictions handed down; from the running of a Council meeting to field staff delivering services on the ground to the community, to the closing down of Council facilities have all been affected.

I must congratulate Elected Members and Staff for the manner in which they have adjusted to these restrictions. Conducting Council meetings via Zoom, administration staff working remotely from the office and field staff adjusting to social distancing requirements when working on tasks, the operations of Council continued on during the COVID 19 crisis. After the initial stage of setting up new procedures that looked intimidating, the period to the end of the financial year operated in a sound manner.

In September 2019 Council adopted a new Strategic Plan, titled Strategic Plan 2020-2027.

This plan sets out the Council's vision for our district and community over a 7 year period. It is a vision that we believe represents both where we are at Council and Community in 2020, and where we want to be by 2027.

The Strategic Plan is the centrepiece of Council's suite of strategic management documents and sets a direction for the creation of:

- Annual Business Plans
- Annual Budgets
- Long Term financial Plans
- Asset Management Plans

The Senior Management Team in conjunction with Council has set about delivering the Goals, Strategies and Actions listed in the Strategic Plan.

Council received another \$1 million of Drought Communities Grant Funding as a second round of funding from this program. Council decided to "go to the community" for projects for this round of funding. Local communities were asked to supply a list of their local projects that were "shovel ready" for Council to consider. Council approved 22 community projects in allocating the \$1 million.

In April 2020 the Federal Government created a new grant program, Local Roads and Community Infrastructure Fund as a stimulus for the economy in the COVID 19 era. Council received \$497,000 in grant funding under this program. Council again used the local community project model for this grant fund and approved another 13 projects.

Council staff in the Planning and Building area has had their work heavily impacted by the new Planning Development and Infrastructure Act which will come into operation on the 31 July 2020. A total new system to lodge development applications without the system being completely ready. We will continue to monitor the implementation to ensure the community is not delayed in any way of having their development application approved.

With all the disruptions this year the Capital program was still substantially delivered in 2019-20 including carried forward projects. The total capital program with carry forwards and additional

CHIEF EXECUTIVE OFFICER'S THE YEAR IN BRIEF 2019-20 CONTINUED

Drought Community Grant funds for 2019-20 was \$6.2M, a significant increase from the year before. This comprised 42 projects requiring work to occur in more than 100 locations throughout the district. Well done to our Infrastructure Staff.

A number of projects did not commence due to delays in grant funding advice and other projects were developed in terms of design however were too late in the year to be commenced on site. These projects are carried forward for inclusion and completion in the 20-21 financial year.

The Northern Areas Council has continually improved our operations over the last few years. This has continued this year, for example, the use of a road trains for our resheet program, installation of solar panels to Council facilities to decrease energy costs and field staff using updated software on their tablets and smartphones to send data back from the field direct to our computer network.

I thank Elected Members and all Staff for their efforts this year and look forward to 2020-21.



Colin Byles – Chief Executive Officer

COUNCIL PROFILE

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

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

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

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



Spalding Oval

COUNCIL PROFILE CONTINUED



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

CONTACT DETAILS AND OFFICE HOURS

Principal Office:

94 Ayr Street, JAMESTOWN SA 5491

Monday to Friday 9am – 5pm

Telephone 8664 1139

Fax 8664 1085

Email: admin@nacouncil.sa.gov.au

Webpage: www.nacouncil.sa.gov.au

Branch Offices:

14 Fifth Street

GLADSTONE SA 5473

Monday to Friday, 9am-5pm

Telephone: 8662 2018

Main Street

SPALDING SA 5454

Tuesdays 10 am – 2.30 pm

Thursdays 9am-5pm

Telephone: 8845 2017



Total Population	4524
Total Area	3070km²
Number of Rateable Properties	4209
Total Road Network	2203 km
Number of Electors	3399
Total Number of Elected Members (including Mayor)	9
Number of Staff – FTE	48
State Electorate	Stuart, Frome
Federal Electorate	Grey

STRATEGIC STATEMENT

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

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

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

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

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

The Council Vision 2027 is;

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

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

Our five (5) goals are:

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

STRATEGIC STATEMENT CONTINUED

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

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

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

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

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



ELECTED MEMBER INFORMATION

Back Row (L-R) Cr. Leon Pollard, Cr. Ian Pomerence, Cr. Merv Robinson, Cr. Ben Browne

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

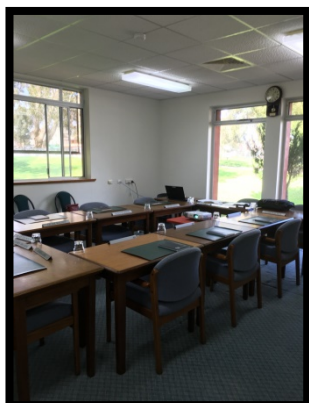


The Local Government (Elections) Act 1999 requires that elections will be held at intervals of four years, with the last election occurring in November 2018. The next scheduled election will be in November 2022.

The Northern Areas Council community is represented by nine members.

Northern Areas Council comprises four wards:

- Belalie
- Rocky River
- Yackamoondie
- Broughton



Meeting Times

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

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

Due to COVID-19 Council from April 2020 to June 2020 conducted Council Meetings by Zoom. These meetings were also digitally recorded to enable the public to view the Council Meetings after they concluded. Council did not use live streaming of the Council Meeting.

ELECTED MEMBER INFORMATION CONTINUED

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

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

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

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

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

Council Members Attendance

ELECTED MEMBERS JULY 2019 – JUNE 2020	Number Ordinary Meetings	Number Ordinary Meetings Attended	Number Special Meetings	Number Special Meetings Attended
Cr. Denis Clark (Mayor)	12	10	7	6
Cr. Sue Scarman (Deputy Mayor)	12	12	7	6
Cr. Ben Browne	12	12	7	7
Cr. Glan Moore	12	11	7	7
Cr. Merv Robinson	12	12	7	7
Cr. Kathy Webb	12	10	7	7
Cr. Denise Higgins	12	11	7	7
Cr. Leon Pollard	12	10	7	7
Cr. Ian Pomerence	12	11	7	5

Council Allowances

The allowances after the November 2018 Election were determined by the South Australian Remuneration Tribunal in accordance with the Local Government Act. The Northern Areas Council is in Group 4. The below table has been updated for annual CPI movement as at November 2019.

Council Members Allowances (per annum)	
Mayor	\$41,072
Deputy Mayor	\$12,835
Council Members	\$10,268

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

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

ELECTED MEMBER INFORMATION CONTINUED

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

Allowances	
At least 30kms but less than 50 km	\$336 per annum
At least 50km but less than 100km	\$560 per annum
100 km or more	\$1120 per annum

Council resolved that its Allowances be paid quarterly in arrears.

Elected Member Training/Conferences

The Northern Areas Council is committed to providing training and development activities for its Council Members and recognises its responsibility to develop and adopt a policy for this purpose under the Local Government Act, section 80A. Council adopted this Policy in 2006, and it was reviewed in June 2018.

Elected Members have attended the following during the year:

- LGA Conference and General Meeting
- Council Meeting Procedure & Chamber Etiquette
- Leadership Seminar
- Roads and Works Conference
- Council Members Forum
- Public Speaking & Presenting

Elector Representation

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

The Review outcome was as follows:

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

Current Representation

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

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

Name	Number Of Electors	Number of Elected Members	Representation Quota
Coorong	3784	9	420
Kangaroo Island	3510	10	351
Goyder	3029	7	432
Yankalilla	4262	9	473

ELECTED MEMBER INFORMATION CONTINUED

Council Appointed Delegates to Organisation and Committees

Local Government Bodies	
Local Government Association	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Local Government Finance Authority of SA	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Regionally Appointed Delegates	
Northern Passenger Transport Network	<ul style="list-style-type: none"> ➤ Cr. Pollard
Section 43 Regional Subsidiaries	
LEGATUS	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Section 41 Committees	
CEO Performance Management Panel	<ul style="list-style-type: none"> ➤ Mayor ➤ Cr. Browne ➤ Cr. Pollard ➤ Cr. Scarman (Proxy)
Ewart Oval Management Committee	<ul style="list-style-type: none"> ➤ Cr. Webb ➤ Cr. Higgins (Proxy)
Flinders Mobile Library	<ul style="list-style-type: none"> ➤ Cr. Higgins ➤ Judith Gill (Retired Dec 2019) ➤ Geoff Lange (Jan 2020) ➤ Manager Corporate Services (Proxy)
Gladstone Swimming Pool Management Committee	<ul style="list-style-type: none"> ➤ Cr. Webb
Jamestown Regional Hydrotherapy Pool Committee	<ul style="list-style-type: none"> ➤ Cr. Moore
Northern Areas Council Audit Committee	<ul style="list-style-type: none"> ➤ Ian Swan (Chair) - September 2019 ➤ Jim Barratt ➤ Cr. Clark ➤ Cr. Pollard ➤ Cr. Browne

ELECTED MEMBER INFORMATION CONTINUED

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

AUSTRALIA DAY AWARDS 2020

Northern Areas Council Citizen of the Year 2020 - Don Smallacombe, Georgetown



Don Smallacombe has freely donated his time to not only the Georgetown District, but the wider community for well over 50 years, very much as a quiet achiever.

Across this time he has been a CFS volunteer for over 30 years, serving as an active fire fighter for the Georgetown Brigade from 1987 to 2010, holding various leadership positions, while he is still actively involved, as Brigade Operational Support, Communications Operator, and Brigade Communication Co-ordinator. Don's local knowledge has been vital across the years, in helping coordinate responses to critical situations. He still donates his time for testing of Radio

Communications for the Bundaleer Group once a fortnight during fire season and once a month during winter months.

Don was an elected member of the District Council of Rocky River for 10 years as the elected member for the Georgetown Ward. He has also been an active member of the Georgetown Community Development Association and its predecessor since 1988. He has overseen the maintenance of the Georgetown Memorial Recreation Grounds for many years and was recently involved with the replacement of the former toilet and amenities block at the Park.

Don is very well known in sporting circles, having been an avid player and volunteer in cricket, where he was a member of the 1969/70 Georgetown/Caltowie premiership side, served as club Secretary from 1971 to 1974, as well as President from 1976 to 1977, before serving as Secretary of the Rocky River Cricket Association for several years.

Don was a player for the Georgetown/Caltowie Football Club, during that time he was well known as the local "taxi driver" transporting younger players in his famous blue ute. Following amalgamation with Gladstone, he was a player with the Gladstone Combine Football Club, before going on to serve as Team Manager for the B Grade.

He is also very well known for his involvement in bowls, having been a member of the Georgetown Bowling Club for over 30 years, in which he has won the club championship 9 times whilst his playing feats have also extended to Association level. Don has served on the club committee for three decades, serving as secretary from 1988 to 2004, as well as green keeper from 1983 to 1988 and again from 2010 to 2013. Don can often be found at the club, as the club handyman volunteering many hours doing club maintenance.

He also has donated many hours to the Gladstone High School as a member of the School Governing Council for several years and is very well known for his time as farm manager at the school.

Don's contribution to the community saw him selected to be part of the Sydney 2000 Olympic Torch Relay. Some 20 years later his contribution has been further recognised with the well deserved Citizen of the Year Award.

AUSTRALIA DAY AWARDS 2020 CONTINUED

Northern Areas Council Young Citizen of the Year 2020 - Molly Noonan, Jamestown



Molly has been a pivotal member of the Jamestown Show Committee in addition to several other organisations.

Molly Noonan has been a key contributor in the re-invigoration of the Jamestown Show, in particular the Wool and Sheep section, for which the show is very well known. Molly has served as the Secretary of this division of the show, whilst also coordinating the Hogget competition and serving as an executive member of the show committee. This has kept her particularly busy across the past year, with the Show Committee completing the Heiniger Shearer training centre in time for the 2019 show, as well as already hosting shearer training sessions.

Molly is also well known in local sporting circles, as a player and Junior netball coach at the Jamestown Peterborough Football and Netball Club, as well as canteen coordinator, social committee member and is one of the first people to arrive at any working bee, and one of the last to leave. She also serves as the Junior Scores Recorder for the Northern Areas Netball Association.

Northern Areas Council Community Event of the Year - Jamestown AH&F Society Inc.



The Community Event of the Year has been awarded to the Jamestown Show for the highly successful 2019 Jamestown Show.

2019 was a highly successful event, culminating in the opening of the Heiniger Shearer Training Centre. The enthusiastic vision of the committee to reinvigorate the show has seen the event grow significantly, since it reverted to a two day event in recent years.

Since reverting back to a two day show, the event has featured many added activities, including the Ag sector Q and A, expanded shearing competition and many new stalls. The success of the event is

evident, with over 7000 people attending the recent event.

The vision of the group has extended beyond the annual event, to now include other activities such as shearer training, which has already started in the newly opened Heiniger Shearer Training Centre.

CITIZENSHIP CEREMONY

Mayor Denis Clark presided over a Citizenship Ceremony in December 2019 held at the Jamestown Administration Centre for Ms. Ester Brown and Mr. Bhagwan Sidhu and Master Gurfathe Sidhu.



Mayor Clark presenting Ms. Ester Brown with her Citizenship Certificate.



Mayor Clark presenting Mr. Bhagwan Sidhu and Master Gurfathe Sidhu with their Citizenship Certificate.

CEO UNIT CONTINUED

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

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

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

HUMAN RESOURCES

Human Resources Policies

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

Salary Package for Senior Officers

As at 30 June 2020, the Senior Management Team consisted of the Chief Executive Officer and 4 Department Managers. The Senior Management Team were paid remuneration packages in the range of \$100,000 to \$193,000.

These packages included:

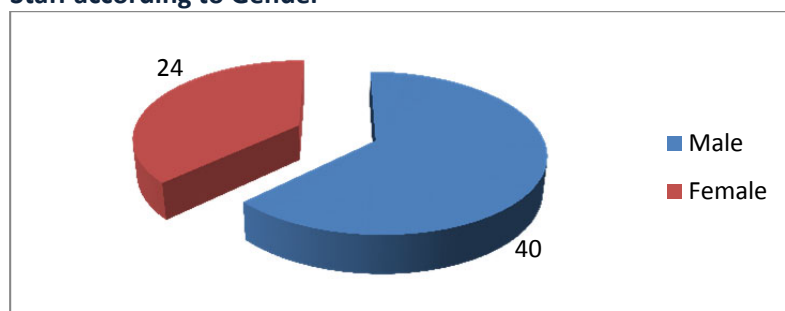
- Salary;
- Superannuation;
- Mobile Phone;
- Provision of motor vehicle for private use.



Council employed a total workforce of 64 people which was equivalent to 48 full time employees as at 30 June 2020.

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

Staff according to Gender



HUMAN RESOURCES CONTINUED

Human Resources

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

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

CORPORATE SERVICES

During 2019/20 a range of financial and administrative improvements and efficiencies have continued to be introduced to Councils operations.

Annual Financial Statements

Preparation of the Annual Financial Statements for 2018/19 spanned from July to October 2019 following implementation of new timelines to coincide with earlier annual report adoption in November.

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

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

The Audit Committee reviewed the financial statements at its meeting on the 8th October. Council subsequently adopted the audited statements at the 15th October ordinary meeting.

Electronic Rate Notices

In recent years Council introduced a new option for ratepayers to receive notices by email. Council's rate notice printer Forms Express has set up an application called "eNotices". In each quarters rate notice a flyer was included with instructions on how to register for the email service. By year end take up of the service has continued to grow to 478 assessments or 11% with this expected to keep growing as more people realise the benefits in receiving electronic billing (June 2019 was 418 assessments). Savings in postage of notices will also grow as take up increases.

Online Payroll System

Council commenced using an online payroll system 'elementTIME' during the second half of the financial year. Ongoing testing and updating has continued in order to iron out any issues experienced. Existing systems have continued side-by-side in the short term.

With many staff working from home during Covid-19 completing electronic timesheets has become a very useful tool.

Use of the new system will continue to grow as the calendar year progresses.

Creditors Systems

The introduction of staff working from home during Covid-19 has created some opportunity for how creditors authorisations can occur. All incoming hard copy invoices to Council were scanned and electronically allocated to a manager's folder along with those already received electronically via email. Authorising officers then sign a batch of invoices electronically. This process has worked well in the current situation.

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

Information Technology Systems

Following a Strategic review of Council's Information Technology Systems progress has continued on the associated implementation and remediation plans.

With many staff working from home during Covid-19 a lot of pressure was placed on councils networks and hardware. Additional business quality laptops have been purchased to provide sufficient devices for staff to be involved in Zoom meetings and for training needs into the future.

CORPORATE SERVICES CONTINUED

Cisco 'Meraki' switches have been installed to allow seamless VPN (Virtual Private Network) connections between the sites and remote users and remove some unreliable outdated equipment previously installed at satellite offices. Security has also improved with installation of an improved anti-virus system.

A Wi-Fi link has been created for back-ups at the Jamestown Swimming pool building which has also allowed that site to be used as an alternate work office if ever required.

Finally plans to install NBN Fibre to the premise have been approved with installation due before the end of the calendar year.

Long Term Financial Plan Review

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

Council considered in the 2019/20 Long Term Financial Plan the need to reduce the rate increase (as proposed in previous Long Term Financial Plans) as there was still the possibility of rate capping being introduced. With rate capping not eventuating at this time Council has considered with the past rate increases and the work carried out to address infrastructure renewal backlogs that the rate increase should be left at 2.60% not at the initial rate set 6 years ago of 5.5%.

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

The adopted Ratio Targets were as follows;

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

Roads to Recovery

2019/20 was the first year of the new 2019-2024 Roads to Recovery program. Council's total program allocation has been set at \$2,038,770 over the 5 year program (\$407,754 per annum).

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

The following projects were allocated and approved with 2019/20 funding:

Sched ID	Work Location	Cost to RTR	Complete	Start Works	Complete Works	Cum Exp to Date
1	Belalie East Road, (rural road) - Chainage 19.94km to 31.12km in a northerly direction	\$449,328	Yes	Aug 2019	Apr 2020	\$449,328
2	Burnside Road, (rural road) - From chainage 2.9km to 8.7km in a northerly direction	\$162,303	Yes	Nov 2019	Feb 2020	\$162,303
Total All Projects:						\$611,631

Audit Committee

The Audit Committee held 5 meetings during the 2019/20 financial year (meetings in May/June were via ZOOM meeting software)

At the October 2019 meeting Auditor Ian McDonald addressed the meeting and discussed the completed 2018/19 financial results as well as other audit matters. This was following the conclusion of the fourth year of a 5 year audit term.

CORPORATE SERVICES CONTINUED

At the January 2019 ordinary Council meeting the committee's terms of reference was amended to include 2 independent members. Advertising for these positions occurred in June 2019 followed by a panel interviewing applicants and appointing the 2 new members in September.

Therefore the October 2019 meeting was the first of new independent chairperson Ian Swan and new independent member Jim Barratt. They joined existing councillors Pollard, Browne and Mayor Clark on the committee.

2020/21 Annual Business Plan & Budget Process

Continuation of improved budget timelines allowed Council to hold 2 budget workshops in May thus allowing more Councillor input into the process than previous years. Workshops were again focused at the Strategic level (especially around Financial Sustainability Indicators).

Management input into Capital budgets was required by the end of February and Operating budgets by mid March. Considerable effort was made to provide budget detail at a lower level for management purposes. As such budgets for 2020/21 have been loaded into Councils Synergy financial system at both Job and 'IE' code levels. This allows management to monitor job budgets more accurately. e.g. park maintenance by location

Due to the impact of Covid-19 no public meeting for the Annual Business Plan consultation was required to be held. This was as a result of urgent changes to the Local Government Act. All meetings as part of the process were also required to be held electronically via ZOOM Meeting Software.

Due date for written submissions for the Draft Annual Business Plan was Wednesday 17th June. Three written submissions were received during the consultation period which commenced on Wednesday 27th May.

The final budget adoption occurred at a Special Council Meeting held on the 24th June.

One change was made to the final budget as a result of a submission received. An amount of \$15,000 was included for design of walking/cycle trail in Jamestown.

Financial Assistance Grants to Local Government

Council relies on the receipt of Financial Assistance Grants each year as a significant component of revenue. For 2019/20 the amount of Financial Assistance Grants included in the original adopted budget equated to 21% of operating revenue.

During 2019/20 Council actually received a total of \$1,850,352 (this included an amount of \$985,927 relating to 2020/21 which was received as an advance payment in May 2020 and reported in the 2019/20 financial statements).

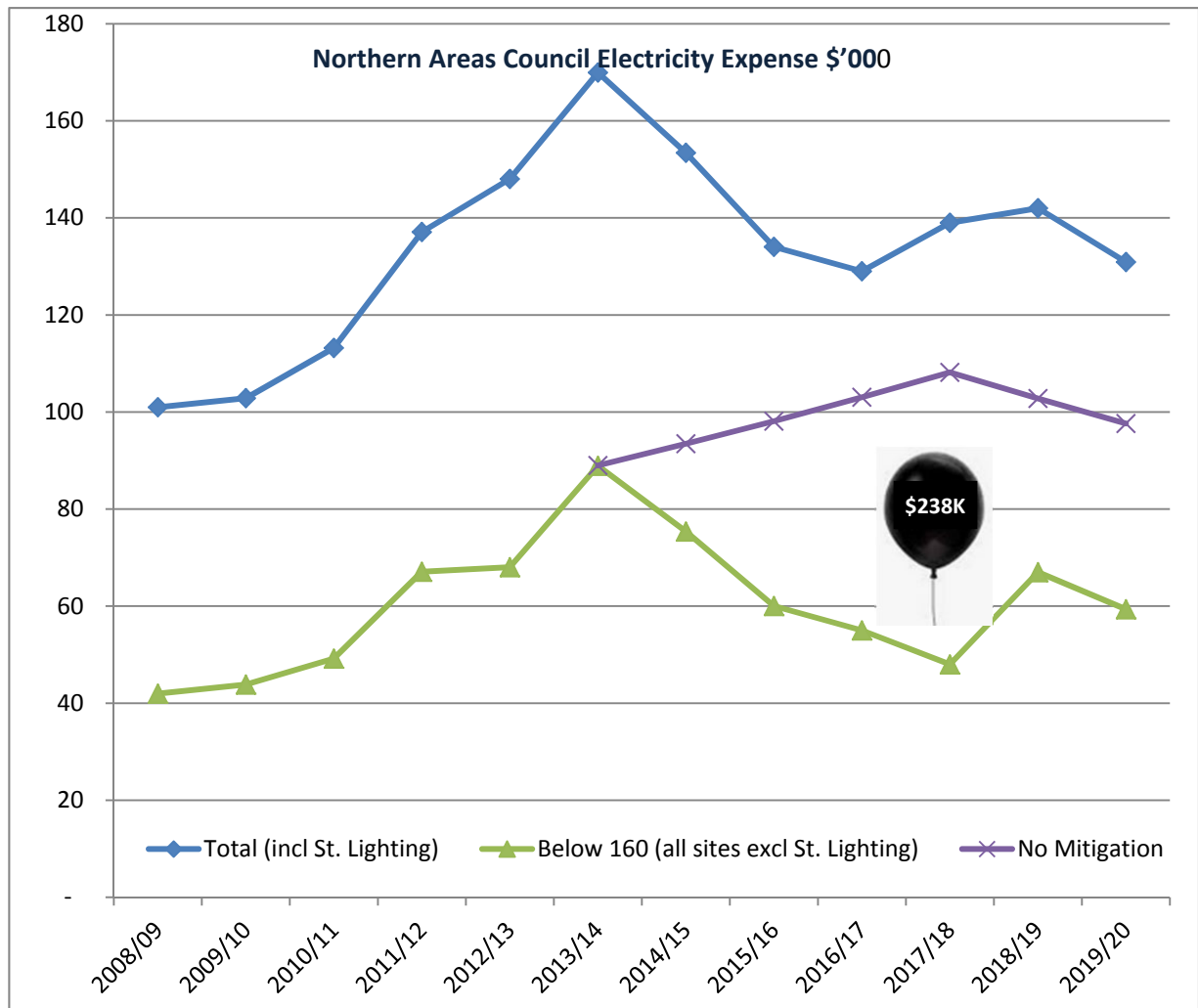
Solar Installations

The 2019/20 budget included a \$120,000 allowance to install at least 6 x 30kW solar power systems at sites with suitable roofing. The sites include Gladstone Hall, Gladstone Depot, Jamestown Depot x 2, Spalding Hall and Gulnare Hall. All sites were completed together with an additional 20kW system at the Laura Depot. The feed-in credits expected from the systems will be used to offset other Council sites in the first instance. Once the project is fully implemented and systems producing a report will be proved to Council.

In addition the 2019/20 budget included a \$60,000 allowance to install 6 x CWMS Solar structures at pump stations. In this case gable carport structures were built with an east/west orientation to house the 7kW systems. Pump stations generally only have small sheds that are not large enough for solar systems so it was decided a structure was a much better option than ground mounting.

CORPORATE SERVICES CONTINUED

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



Jamestown CWMS electricity increased 1822% from \$984 in 2010/11 to \$18,910 in 2011/12. This was due to the introduction of the Waste water treatment plant.

Above graph does not include 44c solar rebates (14-15 was \$8,756) where 2 bills were in credit for a long period, nor are SA Power blackout rebates included (16-17 was \$4,640).

2019/20 includes quarterly credit payments of \$9,113 for depots/halls where above mentioned solar projects have eliminated the bill. A number of sites where metering is internal to the building were being estimated due to Covid restrictions and are not yet reflecting solar credits occurring.

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 and 2020, this mirrors industry trends. This is designed to represent the ‘do-nothing’ approach. The cumulative difference or saving between this line and where we are currently is \$238,000.

CORPORATE SERVICES CONTINUED

Yearly Investment Review

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

During the 2019/20 financial year the official Reserve Bank of Australia (RBA) cash rate commenced at 1.25% (June 2019) and immediately dropped to 1.00% in July and then remained unchanged until October 2019 when a further reduction to 0.75% occurred. Rates remained unchanged at 0.75% for almost 6 months. The scheduled March 2020 meeting resulted in another 0.25% drop with an additional emergency drop of 0.25% on March 20th due to Covid-19 impacts on the economy. The cash rate has since remained at 'unprecedented' low levels of 0.25%.

Prior to June 2019 the RBA cash rate had remained unchanged at 1.50% for the previous 33 months.

Investment earnings ranged from 0.25% to 1.50% on funds invested during the period (excluding the LGFA bonus rate).

The total interest income from financial institutions for the year was \$41,079, which was well below the previous year's interest income of \$89,829. Council's interest income in the previous 2 financial years was higher due to larger cash reserves, while 2019-20 has dropped significantly due to decreases in interest rates.

(The decrease in interest income was forecast in the 3rd budget review with budgeted income adjusted downwards by \$20,000 to the new forecast of \$41,800)

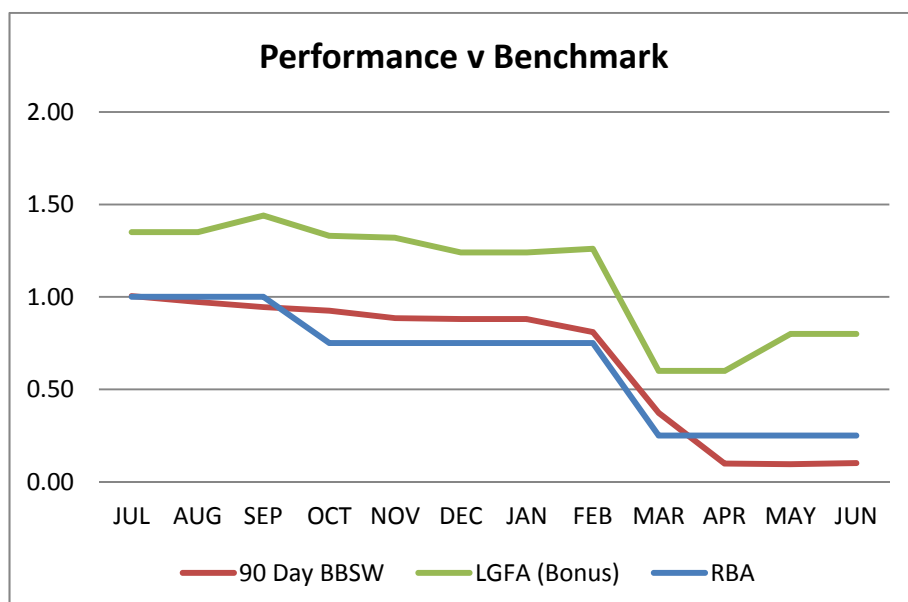
The table below provides Council's investment portfolio performance for the year ended 30 June 2020 compared to the official cash rate and the bank bill swap rate.

Investment Portfolio for year ended 30 June 2020

Financial Institution	Average Holding	Average Return
Local Government Finance Authority* Cash deposit	2,104,387	1.11%
Total Average Investments	2,104,387	1.11%
NAB Council Operating Account	520,000	0.40%
90 Day Bank Bill Swap Rate		0.67%
Official Cash Rate		0.65%

* LGFA average return factors in a yearly bonus percentage of 0.35%.

Note: The 90 Day BBSW as at 30 June 2020 was 0.1015% and the RBA cash rate was 0.25%.



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

The following graph provides a comparison of Council's average investment interest rates with the LGFA (including bonus percentage) compared to the BBSW and the official Reserve Bank of Australia interest rates for the previous financial year.

CORPORATE SERVICES CONTINUED

Council's average investment returns with the LGFA decreased dramatically from March as official rates plunged to 0.25%. There was also little incentive to invest reserves for longer terms due to low forecast rates. In late May the LGFA support package resulted in 'at call' deposits receiving a 0.2% boost.

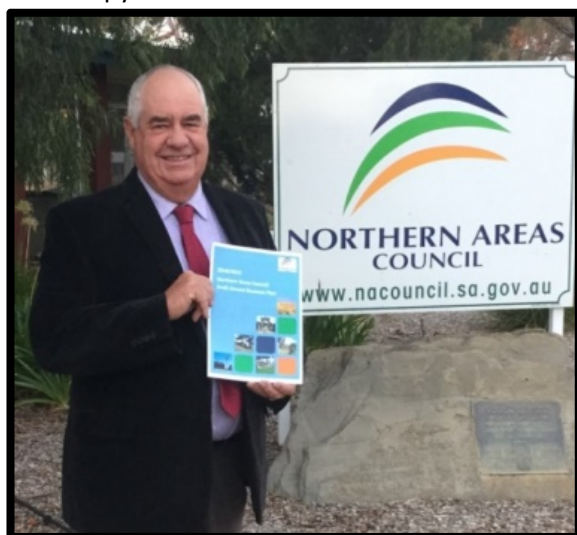
Annual Business Plan & Budget Summary 2019 - 20

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2019-20. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the district as set out in the Strategic Management Plan adopted by the Council on 15th May 2018. Specific objectives for the year are proposed consistent with the Council's Long-term Financial and Asset Management Plans to ensure the long-term sustainability of the Council's financial performance and position.

Council relies heavily on rates and grant revenue as primary sources of income. The following table provides a summary of the Budgeted Operating Income and Expenditure for the 2019-20 year.

Operating Income	\$m	Operating Expenses	\$m
Rates	\$8.70	Employee costs	\$3.44
User/Statutory charges	\$0.28	Materials, Contract, Other	\$3.00
Grants	\$2.52	Finance costs	\$0.42
Other income	\$0.64	Depreciation	\$4.83
Total	\$12.13	Total	\$11.69

A full copy of the Annual Business Plan is available at www.nacouncil.sa.gov.au



Mayor Denis Clark with the adopted Annual Business Plan

Project Priorities for the Year

In 2019-20 Council will undertake major Capital Works in excess of Council's Asset Management Plans. Capital works must at least be equivalent to Asset Management Plans in order to ensure the longevity of existing assets and statutory compliance.

Council is proposing capital expenditure of \$6.3 million of which \$1.0 million is allocated for new assets and the remaining \$5.3 million for renewal and upgrade of existing assets.

CORPORATE SERVICES CONTINUED

Civil

- Re-sealing of existing Sealed roads \$520,000;
- New Seal allowance \$200,000 (Loan funded) – the 2019-20 program will cover 6 streets in Jamestown and Spalding
- Infrastructure Renewal allowance \$500,000 (Loan funded)
- Unsealed road re-sheeting \$1,720,000;
- Bridges \$154,000; Footpaths \$104,000; Kerbs \$55,000;
- Laura Streetscape Upgrade \$150,000 (carried forward).
- Public Lighting \$40,000

Stormwater

- Jamestown Flood Mitigation \$310,000 (50% grants)
- Cross & Sixth Streets, Gladstone \$75,000 (carried forward)
- Inundation mapping (Spalding, Gladstone, Laura) \$75,000

Plant

- Plant replacement program of \$1,000,000 less trade values of \$100,000 - Loans of \$900,000;

Buildings

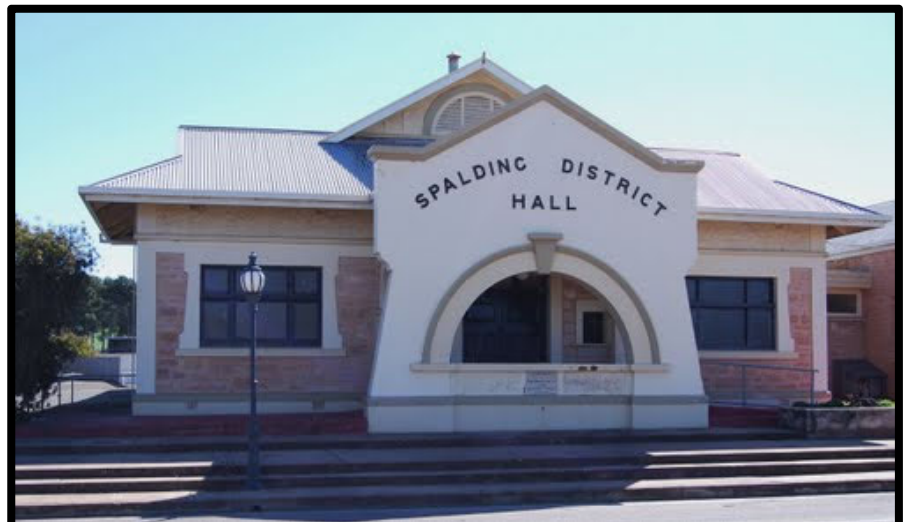
- Gladstone Pool Plant Upgrades \$55,000.
- Planned building maintenance \$61,000
- Various Hall compliance (Fire safety, Disability compliance) \$47,000
- Gladstone Depot Amenities \$100,000
- Solar Upgrades \$120,000
- Jamestown Depot Storage / Wash down \$170,000
- Various minor building projects \$110,000

Public Open Space

- Playgrounds \$50,000;

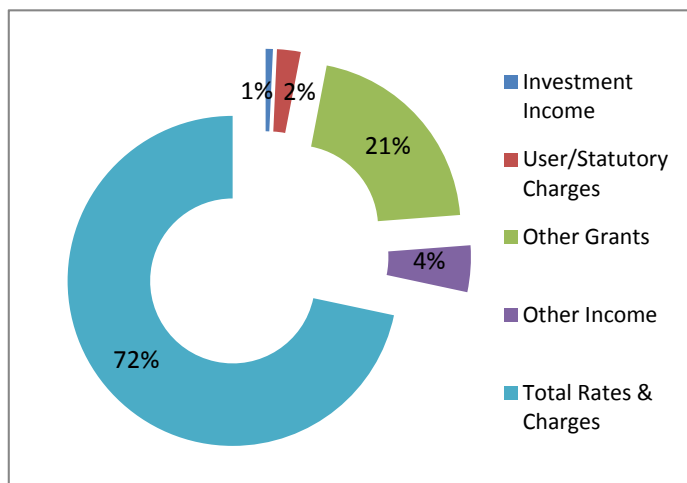
CWMS

- CWMS projects \$346,000;



CORPORATE SERVICES CONTINUED

2019/20 Operating Revenue Mix



Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2019-20 Annual Business Plan. These include:

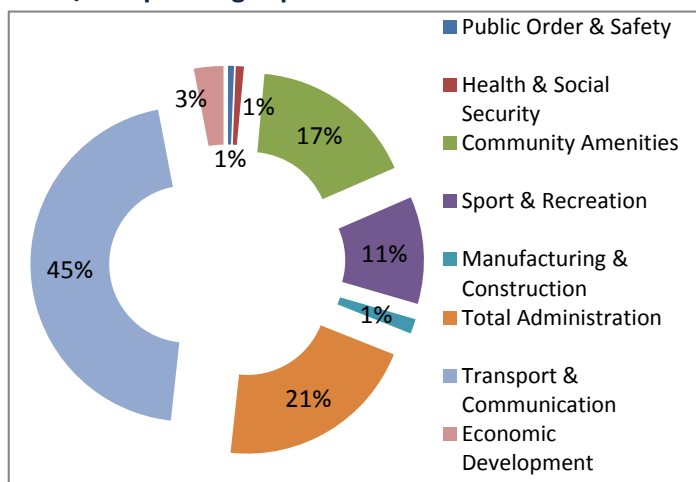
- Consumer Price Index increases on relevant goods and Services of 1.3% for the year;
- Local Government Cost Index increases on relevant goods and services of 2.7% for the year;
- Council to make gradual improvements towards a financially sustainable operating position;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties;
- Service and infrastructure needs for a changing population;
- Commitments to continuing projects and partnership initiatives over more than one year.
- New fees/changes imposed by other governments e.g. Waste Levy, NRM Levy;

In response to these factors, and to minimise the burden on ratepayers, the Annual Business Plan has been prepared within the following guidelines:

- The Annual Business Plan will result in the total revenue raised through general rates increasing by 3.75% (including growth);
- Total operating expenses to be held within CPI and LGPI of the current year's level;
- Maintenance of service levels for continuing Council programs and activities;
- Continuing to pursue shared service opportunities with governmental agencies, other local government authorities and private enterprise;
- Improving Asset Management practices through the implementation of various Asset Management Plans and associated service level documents.

CORPORATE SERVICES CONTINUED

2019/20 Operating Expense Mix



Reflecting on 2018-19

Highlights of the goals and outcomes achieved by Council during the 2018-19 financial year include:

Building Maintenance Program

Painting of Jamestown and Spalding Halls.

Events

Council continues to support a range of significant events in its communities. Events this year included the Laura Folk Fair, Jamestown Show and Jamestown Air Spectacular.

Other Operations

- Maintenance of roads and associated infrastructure including patrol grading, road patching and footpath/kerb repairs in the range of \$1.3M per annum.
- Public Open Space Maintenance (including Parks and gardens) of approx. \$700K per annum.
- Waste management, including Transfer Station operations and kerbside waste and recycling collection of approx. \$550K per annum. \$1.7M Re-sheeting 76kms of various rural roads. A capital works program of \$7.6M, including \$6.6M for the replacement and renewal of existing assets and \$1M for new and upgraded assets.

Major projects were:

- Re-sheeting approx. 76kms of unsealed roads to the value of \$1.6M
- Town Re-sealing and New Seal works to the value of \$0.75M
- Georgetown/Huddleston Crossing
- Major plant replacement program, Net \$700K
- Jamestown Museum Gopher Ramp
- \$1M of federal drought grant programs
- Broughton Valley Road Bridge replacement
- Spalding Pool relining and plant upgrade
- Kinnane Street Construction and Seal



Broughton River Road Bridge Construction

CORPORATE SERVICES CONTINUED

What it means for rates in 2019-20, How does Council determine the rates payable?

Council adopts the capital values (as provided by the Office of the Valuer General) on all properties in the Council District. Council determines what revenue is required for Council operations in the district for each financial year in the form of the Annual Business Plan & Budget. The rate in the dollar and the fixed charge are then declared by Council for all properties in the area.

For example: A property has a capital value of \$200,000 and Council declares a rate in the dollar of 0.5595 cents. That property will pay $\$200,000 \times 0.5595 \text{ cents} = \$1,119.00 + \$390.00$ fixed charge for total of \$1,509.00.

In 2018-19 Council's general rate revenue was \$6,880,800. It is budgeted that in the 2019-20 financial year an 3.25% average general rate increase will apply to existing rateable properties. New assessments will also add additional rate revenue of 0.5% bringing the gross expected rate income to \$7,145,000.

Overview

In setting its rates for the 2019/2020 financial year Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates;
- The specific issues faced by our community, including the effects of the drought and the previous impact of poor seasons for the farming community;
- The need to continue to replace and upgrade infrastructure and other assets including both plant and machinery and the road network;
- The objective of attracting and continuing to attract and support business activity to generate economic development;
- Council's Strategic Management Plan and the meeting of its objectives;
- The Budget for the 2019/2020 Financial Year and the Long Term Financial Plans;
- Householders, businesses and farmers;
- Employed, unemployed & pensioners;
- The broad principal of achieving equity in the distribution of rates;
- Minimising the level of general rates required by levying user pays fees and charges for goods and services where possible;
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost;
- Taking into account increases on Council valuations by the Office of the Valuer General;
- Council's membership of Regional Development Australia which in turn supports small businesses in the Council area;
- Promoting Single Farm Enterprise benefit which has reduced the rate burden on primary production businesses.

Council conducts public consultation on a broad range of issues as required by its Public Consultation Policy. The draft Annual Business Plan was available to all ratepayers and community members who had the opportunity to provide written feedback and comments prior to adoption. Council also held a one hour public meeting on the 5th June 2019 for personal submissions.

CORPORATE SERVICES CONTINUED

Method Used To Value Land

Council may adopt one of three valuation methodologies to value properties in its area. They are:

- Capital Value – the value of the land and all improvements on the land;
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- Annual Value – a valuation of the rental potential of the property.

Council has decided to continue to use capital value as the basis for valuing land within its Council area. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers when applying the equity test of taxation.

Adoption of Valuations

Council will adopt the valuations made by the Office of the Valuer General as provided to the Council in April 2019. A ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation at the following address.

Office of the Valuer General
GPO Box 1354, Adelaide 5001
Email: lsgobjections@sa.gov.au
Phone: 1300 653 346.

Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date or amount for payment of rates.

General Rates

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 168 of the Local Government Act 1999), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties.

It is proposed to raise \$7,145,000 net general rate revenue in a total revenue budget of \$12,136,400. Council proposes to set a general rate of 0.3513 cents in the dollar for rural assessments and 0.5595 cents in the dollar for urban assessments to raise the necessary revenue.

Differential General Rates

Council proposes to impose differential general rates based on:

- Whether the land is rural or urban;
- General rate of 0.3513 cents in the dollar for rural assessments and 0.5595 cents in the dollar for urban assessments;
- Generating \$4,454,500 being raised from rural rates and \$2,690,500 being raised from urban rates.

Fixed Charge

Council proposes to impose a fixed charge on rateable properties of \$390. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land, whether intercepted by a road or not, if the land is owned by the same owner(s) and occupied by the same occupier(s). Council believes that a fixed charge provides an equitable base for the rating system.

CORPORATE SERVICES CONTINUED

If two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land. The single farm enterprise provision allows for eligible farmers to achieve more equitable distribution of the fixed charge (which reflects the changing nature of farm holdings in the area).

Approval is subject to a written application and such evidence as Council may reasonably require. Applications must be received by June 30 to take effect in the following financial year.

Annual Service Charges

Council provides a Community Wastewater Management System (CWMS) to most properties in Jamestown, Laura, Gladstone and the Moyletown area of Jamestown. Council will recover the full cost of operating, maintaining and improving this service for this financial year (includes setting aside funds for the future replacement of the assets employed in providing the service and septic tank de-sludge on a 4-yearly cycle) through the imposition of an annual service charge of \$482.00 per occupied property unit and \$391.00 per unoccupied unit.

Any surplus of revenue over expense is kept in a dedicated reserve account for future replacement or upgrades of respective schemes.

Council provides waste collection services to townships within the Council area. This annual service charge will be calculated at 100% of anticipated costs of roadside waste collection and disposal for all areas having a pickup. The Waste Collection Annual Service Charge proposed for 2019/20 year is \$180.00 per unit (2 bin system).

Some rural properties voluntarily participate in the service and are invoiced through Council's debtor system. Please note that properties exempt from General Rates are not necessarily exempt from Annual Service Charges if applicable.

State Government Concessions

These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees.

These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates.

Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or email concessions@sa.gov.au or at www.sa.gov.au/concessions.

Also from 1 July 2017 the separate concession entitlements for Council Community Wastewater Management Systems (CWMS) were also handled directly by the State Government.

CORPORATE SERVICES CONTINUED

Postponement of Rates for State Seniors Card Holders

Section 182A of the Local Government Act 1999 provides for the option for State Seniors Card Holders to postpone part of the rates on a long term basis. A deferred amount is subject to a monthly interest charge with the accrued debt being payable on the disposal or sale of the property. Applications are subject to the same conditions as deferral or postponement of rates.

For further information and details please contact the Rates Officer;
Northern Areas Council, PO Box 120 Jamestown SA 5491 or
Phone 8664 1139 or email admin@nacouncil.sa.gov.au

Rate Capping

Council provides a rate cap upon application of 50% for the 2019/20 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1st July 2018 or where a building/development approval has been granted since 1st July 2018 valued at \$20,000 or more. Applications for the rebate must be received by 31 August 2019.

Payment of Rates

The Council has confirmed that the payment of rates will be by quarterly billing, due on the 6th September 2019, 6th December 2019, 6th March 2020 and 5th June 2020.

Difficulty in paying Rates

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Officer, to discuss alternative payment arrangements. Council treats such enquiries confidentially.

Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether due by instalment or otherwise that are unpaid after the due date. A payment that continues to be in arrears is then charged penalty interest at an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Penalty fines allow the Council to recover some of the administration costs that arise because rates were not received by the due date.

Remission and Postponement of Rates

Section 182 of the Local Government Act, permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Rates Officer to discuss the matter. A ratepayer will be required to submit evidence of the hardship being suffered to benefit from the application of Section 182. Council treats such enquiries confidentially.

Rebate of Rates

The Local Government Act 1999, requires Councils to rebate the rates payable on some land. This includes a 100% rebate for hospitals, health centres, churches and cemeteries. A minimum rebate of 75% is applied for land used predominantly for educational purposes (subject to some qualifications). Applications for any other discretionary rebates should be in writing to the Manager Corporate Services, detailing the basis for applying for the rebate. Council will consider each application on merit.

Sale of Land for Non-Payment of Rates

Section 184 of the Local Government Act, provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of the land of its intention

CORPORATE SERVICES CONTINUED

to sell the land; provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Natural Resource Management (NRM) (State Govt) Levy

The Natural Resources Management Act 2004 requires Council to raise a levy on behalf of the Northern & Yorke Natural Resources Management Board. This levy is shown separately on the rates notice. Council does not retain this revenue, nor determine how the revenue is spent. Council is required to raise \$287,635 in 2019/20, being an increase of \$7,600 or 3.0%. Council will recover this amount by applying a Levy of 0.01882 cents in the \$ against the capital value of every property in the area.

Any queries relating to the NRM Levy should be directed to:

Northern & Yorke NRM Board

155 Main North Road, Clare SA 5453

Phone: (08) 8841 3400 OR Email: DEW.NRNY@sa.gov.au

Rating Zones

All land zoned “Primary Production”, “Rural Landscape Protection” and “Forestry” in Council’s Development Plan consolidated 12th February 2015 will constitute the “rural” rating zone. All other land not zoned “Primary Production”, “Rural Landscape Protection” and “Forestry” will be zoned “urban” for rating purposes.

COMMUNITY DEVELOPMENT

Council's Manager, Community Development was successful in securing the following grant funds from external sources, during the 2019/2020 financial year.

Applicant	Grant	Project
Jamestown Agricultural, Horticultural and Floricultural Society	Foundation for Rural and Regional Renewal (FRRR)	Tackling Tough Times Together
Laura Community Gym	Office for Recreation Sport and Racing	Active Club Program – Facility Upgrade
Jamestown Peterborough Football and Netball Club	Office for Recreation Sport and Racing	Active Club Program – Energy Efficiency Projects
Victoria Park Jamestown Management Committee	Office for Recreation Sport and Racing	Grassroots Football, Netball and Cricket Facilities Program
Ewart Oval Management Committee	Federal Department of Regional Development Stronger Communities Program	Stronger Communities Fund
Northern Areas Council	Federal Department of Industry, Innovation and Science Drought Communities Program Round Two	Drought Communities Program Round Two
Belalie Mannanarie Cricket Club	Australian Cricketers Association/Cricket Australia	Grassroots Cricket Fund for Drought Affected Areas
Bundaleer Cricket Club	Australian Cricketers Association/Cricket Australia	Grassroots Cricket Fund for Drought Affected Areas
Jamestown Junior Cricket Club	Australian Cricketers Association/Cricket Australia	Grassroots Cricket Fund for Drought Affected Areas
Laura Cricket Club	Australian Cricketers Association/Cricket Australia	Grassroots Cricket Fund for Drought Affected Areas
Spalding Booborowie Cricket Club	Australian Cricketers Association/Cricket Australia	Grassroots Cricket Fund for Drought Affected Areas



Opening of the New Shearing Facility at Victoria Park Jamestown

COMMUNITY DEVELOPMENT CONTINUED

Community Projects Budget and Grant Rounds

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

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

The allocation of funds from the Community Projects Budget was distributed over a single round in October 2019, with \$19,927 available. A total of 19 applications were received of which 11 were successful, the projects being:

Successful Applicants 2019/20	Awarded
Caltowie Memorial Hall and Progress	\$3000
Ewart Oval Management Committee	\$3000
Gladstone Ex Service Personnel	\$850
Gulnare Community Development Board	\$2008
Jamestown AH & F Society	\$3000
Jamestown Community Garden	\$604
Jamestown Diggers Walk Committee	\$1500
Mid North Suicide Prevention Network	\$2000
Sing Australia Jamestown	\$365
Spalding War Monument Management Committee	\$2100
Yacka Community Development Association	\$1500



Jamestown Community Garden

COMMUNITY DEVELOPMENT CONTINUED

AGL Hallett Wind Farm Community Fund

2019/20 saw the continuation of the AGL Hallett Wind Farm Community Fund, with an allocation of \$27,500 distributed to groups across the Council area.

Applications were received from 20 community groups, of which 13 were successful in their applications.

2019/20 was the thirteenth financial year in which Council had partnered with AGL for the fund, having commenced in 2007/08 on the completion of stage one of the Hallett Wind Farm.

Successful Applicants 2019/20	Awarded
Combined Sports Association Gladstone	\$2000
Gladstone Community Development and Tourism Association	\$3000
Jamestown CWA	\$3000
Jamestown Junior Cricket Club	\$2000
Jamestown RFDS Support Group	\$1500
JDA Diggers Walk Committee	\$1500
Laura Community Development and Tourism Association	\$1500
The Laura Fair	\$1500
Laura Memorial Civic Centre	\$3000
Rocky River Historic and Art Society	\$3000
RSL and Combined Services Jamestown	\$3000
Tarcowie Landcare Group	\$1000
Yacka Community Development Association	\$1500



AGL Hallett Wind Farm Community Fund Grant Recipients

COMMUNITY DEVELOPMENT CONTINUED

Neoen Energy Hornsdale Wind Farm Energy Efficiency Fund

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

For the Neoen Energy Hornsdale Wind Farm Energy Efficiency Fund, \$52,665 was distributed specifically for energy efficiency projects. A total of 13 different community groups sought funding, of which 8 were successful in the 2019/20 round.

Successful projects for 2019/20 were:

Successful Applicants 2019/20	Awarded
Bundaleer Forest Community Areas Association	\$8000
Georgetown Bowling Club	\$8000
Gladstone Hall Management Committee	\$2030
Gulnare Community Development Board	\$8000
Jamestown Racing Club	\$8000
Jamestown Show Society	\$8000
The Laura Fair	\$2625
Laura Sporting Reserve Management Committee	\$8000



Jamestown Show

COMMUNITY DEVELOPMENT CONTINUED

Neoen Energy Hornsdale Wind Farm General Community Fund

For the general projects round, a total of 26 groups sought funding with, 17 groups sharing in \$59,360 in funding.

The successful groups were:

Successful Applicants 2019/20	Awarded
Bundaleer Forest Community Areas Association	\$2000
Bundaleer Motorcycle Club	\$2000
Caltowie Corridors of Green	\$1500
Jamestown Amateur Swimming Club	\$5000
Jamestown Development Association	\$360
Jamestown Lions Club	\$3000
Jamestown Regional Stadium Management Committee	\$5000
Jamestown Show Society	\$5000
Jamestown Swimming Pool Management Committee	\$3000
Laura Civic Centre	\$5000
Laura Community Development and Tourism Association	\$5000
Laura Community Gym	\$5000
Laura Events	\$2000
Rocky River Historic and Art Society	\$500
Spalding Sports Association	\$5000
Spalding War Monument Committee	\$5000
Yacka Community Development Association	\$5000

In total 49 different grants were awarded across the four funds, from a total of 85 applications, delivering \$159,452 to not for profit volunteer based organisations across the Council area. Official presentations were very limited due to COVID-19 restrictions.



Caltowie Corridors of Green event at Appila Springs

COMMUNITY DEVELOPMENT CONTINUED

Southern Flinders Tourism

2019/20 saw Council continue to work in partnership with neighbouring Councils across the region to promote Tourism in the Southern Flinders Ranges. In partnership with the Port Pirie Regional Council, District Council of Mount Remarkable, District Council of Orroroo/Carrieton and the District Council of Peterborough Council continued to work in accordance with the Southern Flinders Tourism and Events Strategy and Action Plan.

2019/20 proved to be a year of interruption with regard to Tourism, as the impacts of restrictions from the COVID-19 pandemic saw the unfortunate cancellation of key community events, including the award winning Laura Fair.

Stringent restrictions from late March through to the end of May saw little or no tourism activity, particularly across the traditionally busy Easter period. An opening up of transport within South Australia, with state and international borders closed saw a sharp rise in tourist numbers, with many people from metropolitan Adelaide and other country regions experiencing their first visit to the Flinders Ranges. Visitation numbers for the month of June were far in excess of previous years, which was pleasing following the preceding period of shutdown.



Bundaleer Forest Hut

2019/20 saw the announcement of two key tourist initiatives for the region, being the Silver to Sea Tourist Trail and the Remarkable Southern Flinders Project.

Silver to Sea tells the story of the historic links between the mining history of Broken Hill and the industry which developed as a result of transporting the minerals across to Port Pirie for processing. This includes the key communities which are located between the two centres, incorporating the Northern Areas Council and the District Council of Peterborough. The railway line which was established at the time to transport the minerals from Broken Hill to Adelaide travelled through both the Gladstone and Jamestown communities.

Council has a further historic link to the development of the original industry, in the former Mayor of Jamestown and then Premier of South Australia Dr John Cockburn, who played an instrumental part in ensuring that minerals would be transported for processing in South Australia, through the commissioning of this historic railway.



Beetaloo Valley

This project has received a significant funding boost from the Federal Government, with \$6.5 million being allocated via the Building Better Regions Fund. This will deliver a program of capital works to conserve, interpret and regenerate heritage assets in South Australia. It will be overseen and managed by the National Trust.

Remarkable Southern Flinders is an initiative that will see establishment of the Southern Flinders National Park, which will create a new nature based tourism destination for South Australia.

COMMUNITY DEVELOPMENT CONTINUED

This area will include Mount Remarkable National Park, Telowie Gorge, Wirrabara Range, and Spaniards Gully Conservation Park and the Beetaloo Reservoir. This Project will cost approximately \$10 Million and is funded by \$5 Million from the Federal Government and \$5 Million from the State Government. The creation of the park and its visitor experiences will be in partnership with the State Government and community organisations, including the Foundation for National Parks & Wildlife, Northern Areas Council, District Council of Mount Remarkable, Port Pirie Regional Council and Regional Development Australia Yorke and Mid North and traditional owners the Nukunu. The State Government will be the overseer of both the project and its ongoing operation.

The construction of new facilities will occur over a number of phases, but some work is already underway to create new and improved visitor facilities in the park.

Significant work continued at the Bundaleer Forest, with the construction of the Community Function Centre due to be completed in the latter part of 2020, whilst Nature Play installations were completed and enjoyed by visitors for the first time.



Building Progress of the Bundaleer Community Function Centre

Bundaleer and Beetaloo Reservoir Recreational Fishing Access

2019/20 saw the second full year of recreational fishing access, at the Bundaleer and Beetaloo Reservoirs.

Recreational opportunities at Bundaleer have expanded to include on water access for non motorised craft including canoes and kayaks.

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



Bream caught at the Bundaleer Reservoir

COMMUNITY DEVELOPMENT CONTINUED

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

However the announcement of the Remarkable Southern Flinders project which includes the Beetaloo Reservoir area in the overall project, may see a significant uptake in activity at the site, upon the completion of that initiative.

Recreational fishing access at both sites continues to remain limited to those who purchase a permit, with funds reinvested in to the restocking of fish. However expanded recreational access such as bushwalking and on water activity is open to members of the general public, who only need a permit if they are seeking to combine such activity with recreational fishing.



Mid North Starclub Field Officer

Council continued its commitment to the Mid North Starclub Officer program, along with the Port Pirie Regional Council, District Council of Mount Remarkable, District Council of Orroroo Carrieton, District Council of Peterborough and the Office for Recreation and Sport. 2019/20 was the second year of the combined funding program, with funding committed until 30 June 2021.

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

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

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

Rhys Millington continued in the role of Mid North Star Club Field Officer having previously commenced in the role in February 2017.

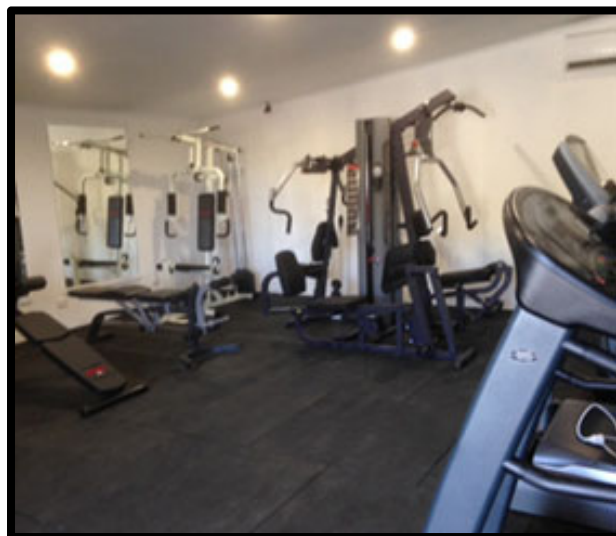
The initial stages of the 2019/20 financial year saw training focus primarily toward liquor licencing requirements, in addition to child safe compliance. As the year progressed and with winter sports undertaking a delayed start or an abandoned season due to the COVID-19 restrictions, much focus shifted toward assisting clubs with such compliance measures.

COMMUNITY DEVELOPMENT CONTINUED

This also included training shifting to a series of webinars and other electronic means, which proved to be a successful process of ensuring key services continue to be available.

Significant funding announcements occurred during 2019/20, with the Laura Community Gym receiving \$25,000 toward a \$50,000 upgrade of that facility, the Jamestown Peterborough Football and Netball Club receiving \$24,800 toward an energy efficiency project including a solar installation.

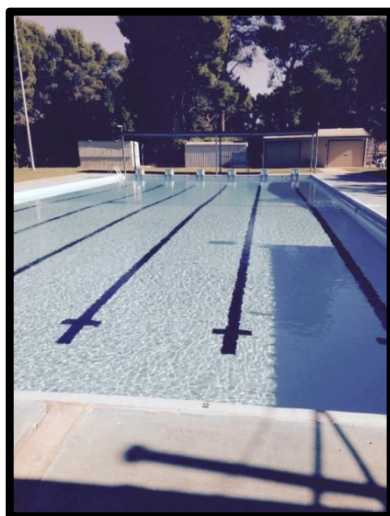
Laura Community Gym



Whilst the Victoria Park Jamestown Management Committee received \$400,000 toward an \$800,000 upgrade of the Regional Sports Stadium, to include changing rooms, toilets and administration facilities.

Swimming Pools

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



Council employs staff to undertake activities at the pools where it remains necessary, whilst community volunteers and organisations provide assistance where required and deemed suitable. In all cases, Council ensures that all workers operate within compliance of Work, Health and Safety regulations as per the WHS Act 2012. VACSWIM and school swimming programs remain a key activity at the facilities, whilst competitive swimming continues to be a popular sporting choice at Gladstone and Jamestown.

In accordance with Council's Asset Management Plan and working in alignment with the previously completed operational level plans, Council continued to upgrade swimming pool facilities during 2019/20, albeit upgrades undertaken across the past year have been far less significant than previous years.

One key improvement at the Jamestown Swimming Pool was the upgrade of the main entrance, with the existing steps removed from the entrance, replaced with a paved area, with a gently sloped gradient, to ensure compliance.

In undertaking the project, the Jamestown Swimming Pool Management Committee completed additional measures, having a mural painted on the building, as well as installing marine life sculptures (pictured).



COMMUNITY DEVELOPMENT CONTINUED

The swim season saw the first usage of the newly completed female changing rooms at both the Gladstone and Spalding Swimming Pools. Included as part of the upgrade were upgrades to the disabled facilities, to best ensure that such facilities are available to the whole community.

In the latter part of the financial year, Council was fortunate enough to have additional funding approved from the Federal Government's Drought Communities Program, to have the male changing room facilities also upgraded at the Gladstone and Spalding Swimming Pools. This will see the completion of upgrades to changing room facilities at all three Council owned swimming pools, with Jamestown have been completed several years earlier. Financial operations at the swimming pools were largely unaffected by COVID-19 restrictions.

Regional Hydrotherapy Pool and Gymnasium

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

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

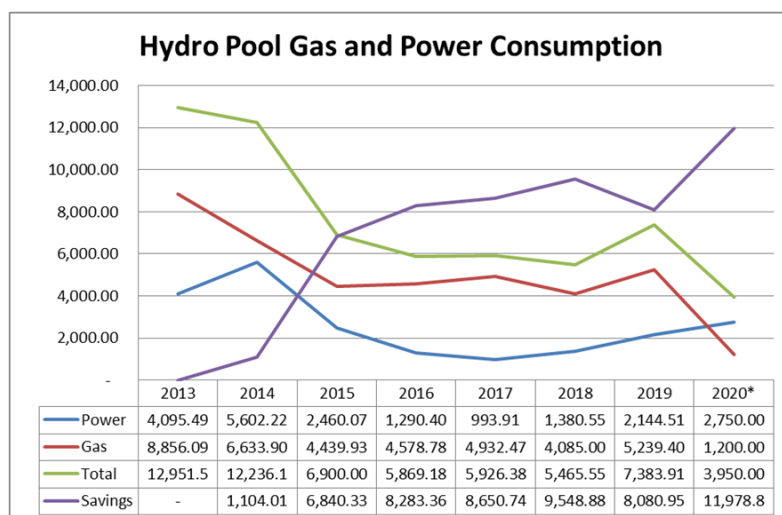
During the 2019/20 financial year, Council continued to manage the facility in accordance with the operational level asset management plan, whilst continuing an inward review of the facility, seeking to undertake efficiency measures to ensure long term financial sustainability.

Following the successful installation of a hybrid pump heating system, a review was undertaken to assess the impact on energy consumption costs at the site, combined with the solar energy installation which was installed in the 2014 financial year.

What ensued initially with the installation of the solar energy system was a significant reduction in the annual electricity expense, which provided significant assistance in enabling the facility to become more financially sustainable.

In terms of further energy efficiency a hybrid solar heating pump was installed in 2019, with the view of ensuring that the facility would be less reliant on gas for constant heating. This has resulted in a significant reduction in gas expenditure, contributing to a major reduction in the annual energy expenditure, being a combination of both gas and electricity (power).

In both instances the facility's Management Committee were fortunate enough to be successful in obtaining grant funding for both energy efficiency measures, resulting in an instant financial return.



**A full financial comparison to 30 June was unable to be completed in full, due to the facility being closed due to COVID-19 restrictions. However indicative figures have been used for the final quarter of 2019/20, based on an average of the year's levels of energy consumption.*

COMMUNITY DEVELOPMENT CONTINUED

Jamestown Community Library

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

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

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

Varying stages of restriction were imposed on the facility due to the COVID-19 pandemic, with the facility closed for a short period, before re-opening under multiple stages of restriction. At the year's end, the facility had reopened with restrictions on the number of people permitted in the building and requirements for social distancing.



Aside from the COVID closure periods, the facility continued to serve the local community and host events such as authors nights and Nursery Rhyme Time. Recent work by Council to address concerns regarding the nearby pedestrian access along the trail from Ayr Street had been warmly received by Library patrons, some of whom are residents of the Belalie Lodge Aged Care Facility.



COMMUNITY DEVELOPMENT CONTINUED

Flinders Mobile Library - 2019/20

The Flinders Mobile Library continued to provide library services to residents of the Northern Areas Council, Mount Remarkable District Council and the Port Pirie Regional Council during 2019/20. The Flinders Mobile Library service is based out of Gladstone, with the mobile library truck visiting 16 townships, 9 schools and 2 kindergartens on a fortnightly schedule.

POPULATION SERVED	2015/16	2016/17	2017/18	2018/19	2019/20
District Council of Mt Remarkable	2827	2773	2774	2907	2910
Northern Areas Council	2482	2468	2450	2522	2532
Port Pirie Regional Council	681	1007	996	1019	1012
TOTAL	5990	6248	6220	6448	6454

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

Circulation Statistics

LOANS	2015/16	2016/17	2017/18	2018/19	2019/20
Total Physical Loans	46,100	42,554	41,421	36,165	30,933
Total Digital Loans (ebooks + eAudio)	905	896	1400	1157	2314
Total Digital Loans (eMagazines)	-	-	-	-	17,523
Total Holds placed & collected	7411	6662	7745	7456	7298
Total Incoming holds from other Libraries in SA	6744	5443	6947	7011	6954
Total Outgoing holds to other Libraries in SA	9096	9084	9046	6810	5938

Due to a period of forced closure due to the COVID-19 pandemic, physical loans were down significantly on the previous year. This proved to be a contributor to a rise in digital loans, through ebooks and eAudio, whilst the new option of eMagazine borrowing had a significant response.

Collection Statistics

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

COLLECTION	30/6/16	30/6/17	30/6/18	30/6/19	30/6/20
Items on the Flinders Mobile Library truck	7090	6804	6564	6473	5393
Items in the Flinders Mobile Library depot	13175	13799	13913	13591	12812
TOTAL items in the entire collection	20,265	20,603	20,477	20,064	18205

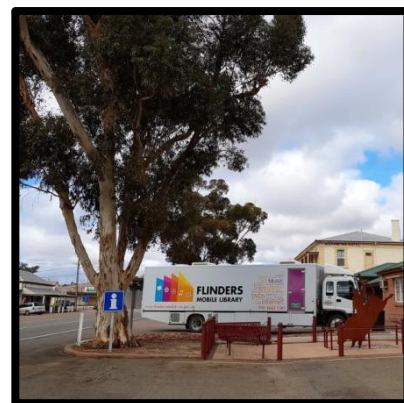
Borrower Statistics

We had an decrease of 6 borrowers registered directly with Flinders Mobile Library during the 2019/20 financial year, however this is usually due to an annual borrower 'cull' of people who have not used a library service at all in the last 3 years. Therefore these borrowers are now deemed inactive and are being removed from the system to provide a more accurate reflection of actual borrower statistics.

The Flinders Mobile Library officially had 1244 registered members at June 30 2020; however in actual fact, 1380 people regularly access our library service in one way or another.

COMMUNITY DEVELOPMENT CONTINUED

Of these 1244 borrowers, 563 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 45.25% of the total Flinders Mobile Library borrowers for 2019/20, making a fairly even split between student borrowers and all other borrowers. Flinders Mobile Library school borrower numbers are in a constant state of change due to new students arriving as old ones are leaving. Our total number of registered borrowers usually hovers around the 1300 mark. Inactive borrower removal is regularly undertaken by staff to try and ensure an accurate reflection of total borrowers.



BORROWERS	2015/16	2016/17	2017/18	2018/19	2019/20
Borrowers registered with Flinders Mobile Library	1291	1357	1270	1250	1244
Borrowers registered with another home library but also use our service regularly	104	123	129	135	136
TOTAL borrowers utilising Flinders Mobile Library	1395	1480	1399	1385	1380

BORROWERS BY COUNCIL AREA	2015/16	2016/17	2017/18	2018/19	2019/20
District Council of Mt Remarkable	557	589	558	547	561
Northern Areas Council	542	569	540	538	523
Port Pirie Regional Council	159	164	134	132	124
Other	33	35	38	33	36
TOTAL	1291	1357	1270	1250	1244

Below is a break-down of Flinders Mobile Library borrowers by their home towns for 2019/20. We visit the local school in each of the towns marked with an *, which is why there are more borrowers in these towns.

BORROWER BREAKDOWN BY TOWN	2015/16	2016/17	2017/18	2018/19	2019/20
<i>District Council of Mount Remarkable</i>					
Murray Town	11	11	8	6	8
Appila	14	16	16	16	18
Port Germein	38	43	36	32	33
Wirrabara (*only until end of 2017)	61	56	33	33	34
Melrose*	75	89	84	88	83
Wilmington*	93	95	95	87	93
Booleroo Centre*	267	290	278	280	287
<i>Northern Areas Council</i>					
Gulnare	9	8	10	11	10
Yacka	27	28	26	20	20
Spalding*	60	60	58	60	58
Georgetown	52	36	25	22	24
Laura*	159	169	170	173	174
Gladstone*	246	277	271	273	257
<i>Port Pirie Regional Council</i>					
Redhill	28	28	22	19	17
Koolunga*	47	57	53	47	54
Napperby*	78	77	58	56	43
UNDEFINED	1	17	27	27	31

INFRASTRUCTURE SERVICES

2019-20 Annual Report – Infrastructure Services

Council's Infrastructure Services Department provides a range of services, construction and maintenance to maintain and improve the built assets of Council which in turn support and facilitate community activity. Its prime responsibility is the management of the combined asset portfolio. Assets of Council are represented below in the table showing the replacement value for each asset class and the percentage of the total asset holding for each class.

Class	Fair Value	Proportion of total assets
Plant Vehicles and Equipment	3,364,000.00*	1.5%
Storm water	4,880,000.00	2.1%
Buildings Inc. POS	30,332,000.00	13.3%
CWMS	18,675,000.00	8.2%
Bridges	10,496,000.00	4.6%
Roads and associated infrastructure	160,850,000.00	70.4%
Total Fair Value	228,597,000.00	100%

(*PVE at Carrying Value)

Included in the services not otherwise represented by an asset class and carried out by the Infrastructure Services Department are waste and cleaning services.

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

Strategic Actions

In conformance with Council's strategic plan, the Infrastructure Services Department has commenced or delivered a number of initiatives through the year in conjunction with the delivery of it's capital and operating programs. These are summarised in the following pages.

Playgrounds

Ewart Oval received a new playground due to the hard work and dedication of the Ewart Oval Committee. Council managed the funds and provided preparation of the base to facilitate the work of the community members in the committee

Sealing Unsealed Streets

Council made a determination to allocate funds over 5 years to seal key unsealed township streets throughout the council district. This strategic decision resulted in an allocation in the 2019-20 year capital program to continue the program with a total of 9,600 square metres to seal in Spalding and Jamestown. There is some carry forward of these works due to cold weather beating the reseal contractors. Once the weather warms enough to activate the bitumen for a long enough period during the day these works will be completed. A further allocation has been made for 2019-20 for streets sealing.

Street Lighting

Council made inroads into the lighting program which followed on from an audit conducted in 2017 with street projects completed in Gladstone and Jamestown. In addition, street lighting design has been carried out for Caltowie.

INFRASTRUCTURE SERVICES CONTINUED

Bridges

Council investigated options for the renewal of Pine Creek Bridge during the year. This bridge has been downgraded in its mass capability to 30t due to structural deficiencies and provides a level of frustration to freight operators with a detour in place for higher mass vehicles. Five alternatives were investigated ranging from partial renewal to full replacement and floodway alternative, each with varying costs and benefits. Council identified a preferred option to enable grant funds to be pursued from appropriate sources. The preferred option is the installation of a floodway and Council are corresponding with State and Federal agencies with respect to funding pathways and cycles.

Tourism Entry Signs – Jamestown

Council considered a request from the community to include “The Diggers Walk” and the “Big Battery” on town entry signs to Jamestown. Approval was sought and gained through DPTI and the signs have been implemented.

Asset Management

Council has been progressing with generational change in Asset Management practice through the year. Asset Management is a very technical activity requiring a secure data management system and ongoing review of asset condition to mitigate the risks of ineffective decision making in asset renewal and funding projections. Council has many thousands of assets between Roads, Stormwater CWMS, Public Open Space, Plant and Bridges. Each road is being broken down into multiple individual assets. Pipes, pumps and valves are individual assets as are sections of footpath and buildings. Officers continually monitor the deterioration of each asset and update the data systems to enable forward projections of asset renewal to be carried out with some accuracy. This has been partially done for Council’s assets in past years with much loss of information through employee retirement where information isn’t recorded. Council’s asset data is an extremely valuable resource that is critical in providing information to inform the long term financial plan of Council.

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

CWMS

A significant project was completed this year in the installation of emergency storage to two pump stations in Jamestown. This project completed the second and third stages of pump station upgrade to resolve long-standing sewerage overflow issues in private residences. In 2017, Council resolved to implement a plan over a number of years to resolve these concerns and the project was completed this year. The project has solved the backflow issues and delivered efficiencies to Council operations in reducing call-out to pump-stations working beyond their capacity.

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

Commemoration

Council facilitated the construction of a memorial wall on the corner of Herbert and Hughes St in Laura, construction of which was managed by the Laura Community Development and Tourism Association.

Public Events

Council supported community events with management of road closures through statutory processes and liaison with the Department Planning Transport and Infrastructure. A range of other measures were provided to assist the Australia Day celebrations, Christmas Pageants. Other sundry events which assist in building community including the Laura Fair were cancelled due to COVID-19.

INFRASTRUCTURE SERVICES CONTINUED

Land Management

Through negotiation with the Department of Planning Transport and Infrastructure Council managed the transfer of land and vesting of land in Council to address an anomaly in ownership of a small parcel of land on the Horrocks Highway at Gladstone. The task was largely administrative and addressed identified land management governance issues identified by the State.

Plant Replacement

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

Waste Services

In response to comments made to Council in the community survey and Council forums, staff conducted a survey of all residences, rural and urban who currently receive a kerbside or rural bin collection service to determine the overall interest in providing a kerbside green-waste collection service.

While the results of the survey confirm that a high majority of rural residents do not want the service, and a small majority of urban residents do not want the service there is strong interest from those who do. The introduction of such a service will reduce the amount of material going to land fill and improve recycling within the community. Council will give further consideration to introducing a limited service in the future.

Footpath Renewal

Council resolved to assign \$300,000 from an infrastructure renewal account and \$200,000 from a grant allocation towards footpath and kerb works. A program developed from the Asset Management system for the high priorities areas across townships was adopted by Council and the program commenced.

Road Train

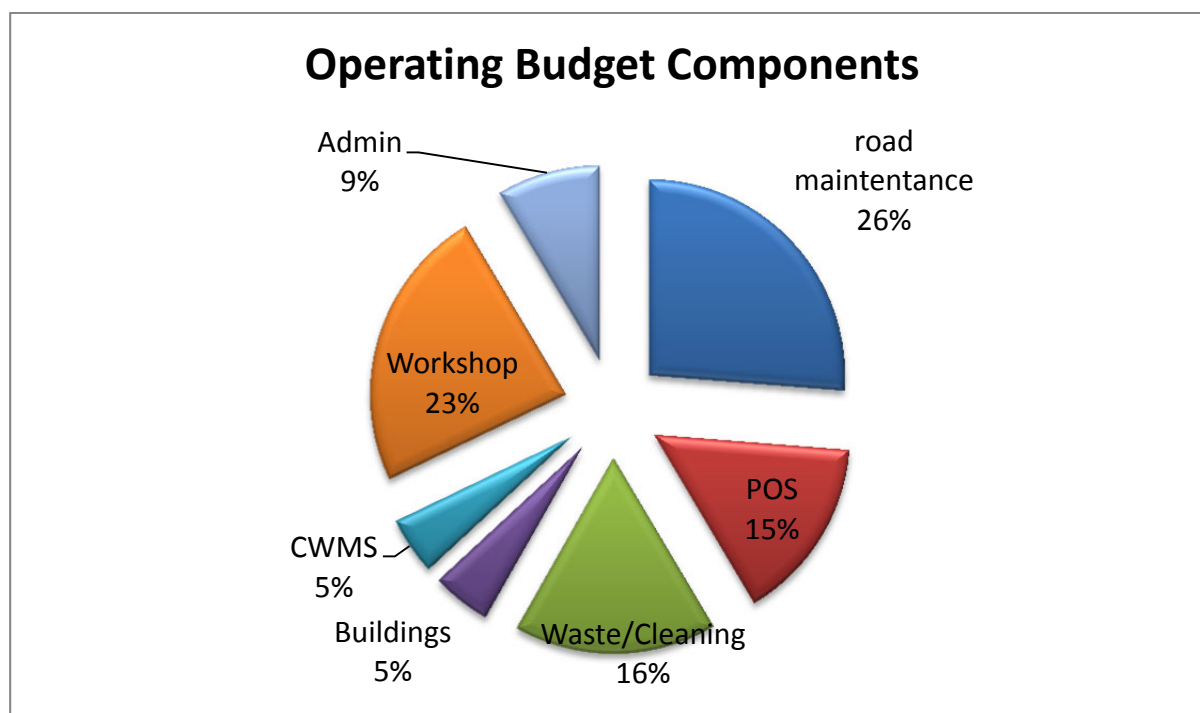
In pursuing improved financial performance and reducing costs for services provided, the introduction of a road train combination to Council's fleet was carried out during the year. Issues to be considered in making this change to process included evaluating the number of pit locations a road train could operate from, the prime mover requirements for hauling the laden rig and routes suitable for road train operation. Load for load the operation of a road train, in delivering rubble for road construction, is far more cost effective than by semi however the combination isn't suitable for all locations. Estimates for the savings in road train operation over semi delivery for those roads where it is suitable, indicate savings of around \$90,000 per year in road construction costs will be achieved through this efficiency.

Budget

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

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

INFRASTRUCTURE SERVICES CONTINUED



In the chart above, Parks includes mown road reserves as a component of all maintained parks areas; Buildings includes water supply costs, Roads includes storm water, footpaths and bridges.

Asset Management

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

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

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

While it is easy to point to a building and know what it is and what has been done to it, it is much harder to point to a section of road and identify when that kilometre was last sheeted or resealed and what depth of pavement exists within it. The same applies for kerb and footpath. Much work has been carried out and continues, to provide digital and spatial mapping for each individual asset across the road network so these details can be managed in a form where they cannot be lost.

A key task being carried out during the year was to uniquely identify Council's assets to enable the higher level of forward planning required to ensure the funds provided by the community are used effectively in renewing critical infrastructure in a timely, cost effective way.

Where asset data held by Council is complete enough, AMP provide a comprehensive assessment of the overall current state of the asset class with financial projections which inform future upgrade, replacement and maintenance budgets and council's 10 year financial strategy.

INFRASTRUCTURE SERVICES CONTINUED

Asset Management improvement plans flow from the adopted Asset Management Plans. Tasks undertaken in the ongoing improvement of Council's asset management included the following among other tasks:

- The analysis of all Council road and CWMS assets. With this project complete the revaluation of component parts of the systems occurs and review of expected average asset lives. This is a significant project which will span the next financial year and involve staff from Infrastructure and Finance.
- Reviewing all asset management plans
- Defining levels of service from the perspective of customers.

Customer Requests

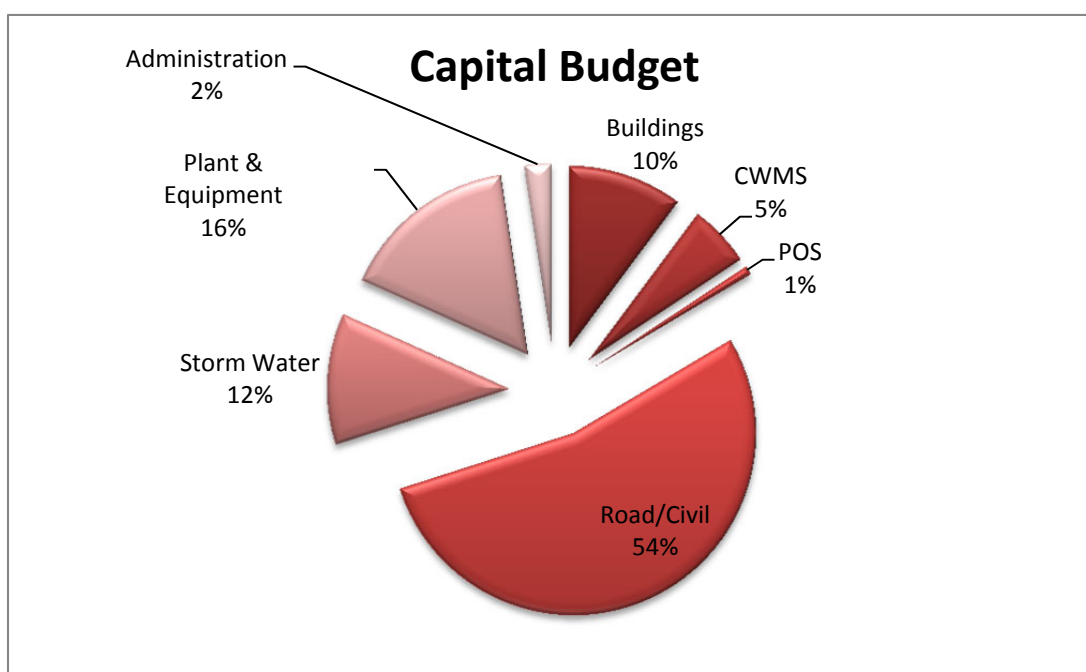
Customer requests have consolidated as a tool for scheduling operational tasks identified in inspections by Council officers as well as from the general public and Councillors across all infrastructure activities. This enables the works to be scheduled and carried out in groups of requests at specific locations for an increase in productivity and reduction in excess travel. The table below shows the number of requests logged in the system annually with completion rates. Many of the incomplete actions are not able to be completed from operational budgets and are referred to capital programs for longer term solutions.

Customer Requests	Total	Completed	%	Outstanding
Status of requests to end of 2016 F/Y	609	468	77	141
Status of requests to end of 2017 F/Y	632	548	87	84
Status of requests to end of 2018 F/Y	676	601	89	75
Status of requests to end of 2019 F/Y (June 30 2020)	642	576	90	66

Capital Program

The Capital program was substantially delivered in 2019-20 including carried forward projects. The total capital program with carry forwards and additional Drought Community Grant funds for 2019-20 was \$6.2M. This comprised 42 projects requiring work to occur in more than 100 locations throughout the district.

A number of projects did not commence due to delays in grant funding advice and other projects were developed in terms of design however were too late in the year to be commenced on site. These projects are carried forward for inclusion and completion in the 20-21 financial year.



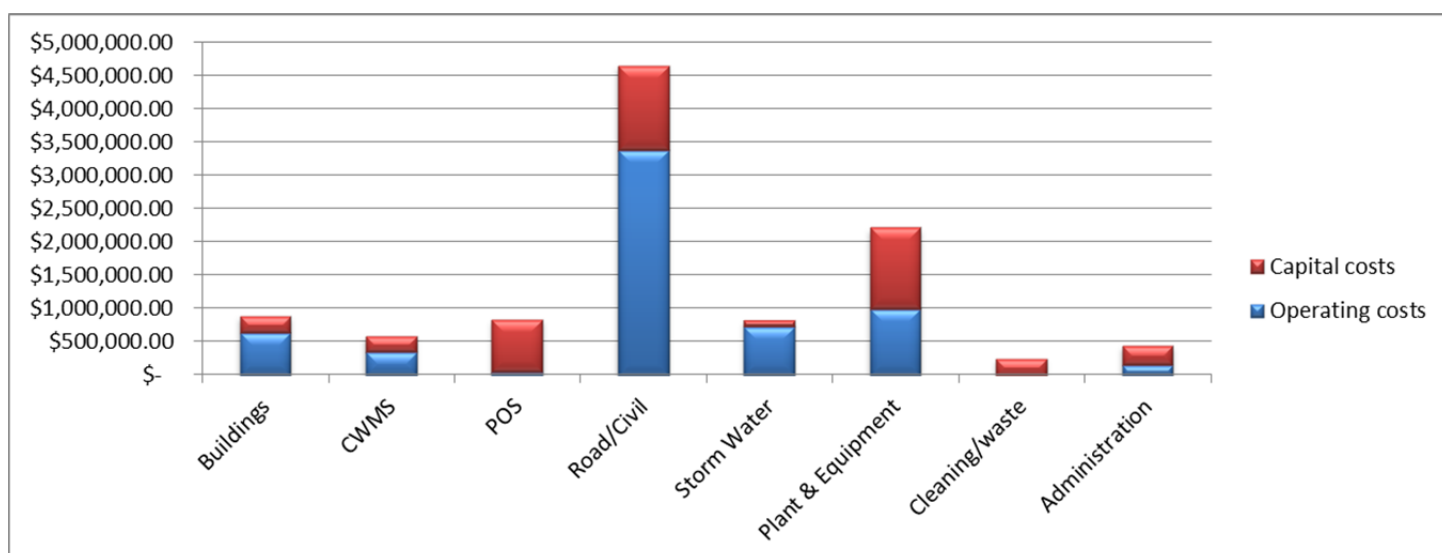
INFRASTRUCTURE SERVICES CONTINUED

2019-20 has been a busy year in terms of infrastructure renewal. A significant resheeting program was delivered across the Council district. The quantity of road being re-sheeted in current years is sufficient to renew all sheeted roads over an 18 year period. This represents about 5.6% of the capped road network. Road users will be aware that many heavily used sheeted roads will not last that long. The reasons relate to the quality of rubble as much as use, weather and maintenance. Some roads will have to wait longer than 18 years and some will be done in a shorter life cycle. All roads are inspected and evaluated through the year to assist in determining the highest priority roads for the program.

Other Capital projects completed this year include:

- Re-sealing of 74,000 M² of sealed road was approved. Works were deferred due to cold weather beating the contractors. The program will be completed in the new financial year with carried forward funds. Work in asset management inspection and data evaluation has identified that all backlog assets will be resealed from the completion of this program. Future years resealing programs will be reduced in scope and cost as a result.
- Leak repairs at Jamestown pool
- Roof repairs to Gladstone Hall
- Continuation of Jamestown Stormwater Management Plan development
- Completion of Laura Street Scape Stage 2
- Street lighting upgrades to the value of \$40,000
- Jamestown CWMS pump Station Storage upgrade

The following chart comprises the combined capital and operational budget values for each service area for the total Infrastructure services budget within the 2019-20 financial year. The Infrastructure Department delivered \$10.7m of services and projects during the year.



REGULATORY SERVICES

Development Applications - Building Assessment

During the 2019/2020 financial year Council received 133 development applications which was an increase in the number of development applications received in the previous financial year.

This gave rise to an increase in development in smaller towns which has not been seen for some years and is very encouraging to these communities.

Two commercial non-complying applications were forwarded to and approved by Council's Development Assessment Panel.

Development applications are assessed against the relevant zone principles of the Development Plan, with applications proposed for bushfire zones referred to the Country Fire Service Building Fire Safety Unit for a report. The CFS report and conditions forms part of the approval and must be complied with. Development applicants have the choice to have their applications assessed for building rules compliance by a private certifier, or by Council.

The value of the 2019/2020 development applications was \$6.3 million including both residential and commercial development. This represents a downturn in total value of developments to the previous financial year.

Building Fire Safety

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

This committee carries out inspections of Council owned buildings, industrial buildings, sporting complexes, clubrooms and buildings that offer overnight accommodation to ensure compliance. Where issues are identified, non compliance notices are issued specifying the work required to meet compliance with codes and further follow-up inspections are scheduled to monitor the required actions.

During the year, one enforcement notice has been served on a building owner for non compliance with building fire safety requirements.

Council's Building Fire Safety Committee's role and responsibilities were transferred from the Development Act to the Planning, Development and Infrastructure Act late in the financial year.

Vacant & Unsightly Properties

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

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

One dwelling owner has completed the work required to have Council's Health Act Notice removed which declared the dwelling unfit for human occupancy.

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

REGULATORY SERVICES CONTINUED

Illegal Development

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

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

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

Illegal Dumping

Although not a regular occurrence there have been 3 occasions in the last year where illegal dumping occurred on roadsides, resulting in a cost to Council for removal.

Animal Control

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

1374 renewals were carried out in 2019-20 financial year resulting in \$32,869 in fees with an additional \$6,900 received in expiation fees. The expiations resulted from dogs wandering, barking, and attacking or harassing both humans and animals. Council's Animal Management Officer once again carried out registration checks which proved successful and encouraged owners to comply with the Dog and Cat Management Board's registration requirements.

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

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

Reports of residents troubled by wandering or excessive numbers of cats on their properties have continued in 2019-20 year. Anyone experiencing problems with cats can access cat cages by contacting Council's Administration Offices or Animal Management Officer, Garry Harris.

Pest Control

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

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

Cemeteries

Management of cemetery records and interment processes is an ongoing activity for Council. 33 interments and 15 ashes' placements have occurred during 2019-20.

Community Wastewater Management Systems (CWMS)

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

REGULATORY SERVICES CONTINUED

Regional Health Plan

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

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

Each Council is contributing to the health plan with matters that relate specifically to its own area.

The joint Regional Health Plan will ultimately be submitted to the SA's Chief Public Health Officer and be reviewed at least once in every five years.

COMPLIANCE STATEMENT

Access to Council Documents

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

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

Freedom of Information

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

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

Forms are available at the Council Office. Applications will be responded to as soon as possible within the statutory 30 days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees. Zero Freedom of Information requests were received in 2019/2020.

COMPLIANCE STATEMENT CONTINUED

Amendment of Council Records

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

Community Lands

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

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

Section 198 provides:

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

No land has been excluded from Community Land definition during the 2019/20 year.

Competitive Tendering and Cost Effective Services

During the 2019-20 financial year there were four tenders sought through a competitive tender process through SA Tenders website. One for operational works, this being a four year waste water de-sludging program, and three for capital projects. These were for minor bridge works, the construction of pump station emergency storage for Jamestown CWMS and the annual reseal and new seal bitumen tender.

Other competitive processes included the use of The Local Government procurement portal for plant purchases, Vendor Panel. Items purchased through this mechanism included a new Volvo Prime Mover, a medium sized tip truck, a small excavator, and a road construction roller.

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

Auditor's Remuneration

Council's Audit Fees for the 2019/20 financial year were paid as follows:

Ian G McDonald	\$ 12,000
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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.

COMPLIANCE STATEMENT CONTINUED

Private Works

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

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

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

Procurement Policy

Council's Procurement Policy was first adopted in June 2010 and was reviewed in September 2018.

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

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

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

Confidentiality Provisions

Under Section 90 and 91 of the Local Government Act, the following information is provided with regard to Confidential Items raised at Council Meetings from 1 July 2019 to 30 June 2020.

Council held 12 Ordinary Meetings and 7 Special Meetings between 1 July 2019 and 30 June 2020. A total of 371 resolutions were made at these meetings of which were considered "in confidence".

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

- Review of Confidential Minutes
- Audit Committee Independent Members
- Asset Management Software
- Tender for Open Surface Roller Replacement
- Pine Creek Bridge Preliminary Design Allocation – Supplementary Report
- Tender for Bituminous Surfacing
- Hornsdale Power Reserve Expansion – Traffic Management Agreement
- Pine Creek Bridge Preliminary Design Allocation
- Waste Contract Extension
- Plant Vehicles and Equipment
- Tender for Jamestown CWMS Pump Station Storage
- Southern Flinders Tourism
- 2020 Australia Day Awards
- Infrastructure in Roadway
- Chief Executive Officer Contract
- Tender for Prime Mover Replacement
- Review of Confidential Minutes

COMPLIANCE STATEMENT CONTINUED

- Submissions for Depot Lunch Room
- Tender 3T Excavator
- Tender for Truck
- Tender Bridge Works
- Tender Desludging
- Hotmix Opportunity
- Georgetown Windfarm – Transmission Line – Update
- Review of Confidential Minutes
- State Government Audit Response
- Review of Confidential Minutes

Fourteen items have been released from confidentiality during 2019/2020.

Elector Representation

An Elector Representation Review was last undertaken in 2017.

The Review outcome was as follows:

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

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

Current Representation

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

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

Name	Number of Electors	Number of Elected Members	Representation Quota
Coorong	3784	9	420
Kangaroo Island	3510	10	351
Goyder	3029	7	432
Yankalilla	4262	9	473

Registers, Codes and Policies

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

COMPLIANCE STATEMENT CONTINUED

Registers

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

Codes

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

Policies

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

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

COMPLIANCE STATEMENT CONTINUED

Section 41 Committees

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

Statutory Committees

- Council Assessment Panel
- Building Fire Safety Committee

Subsidiaries

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

- Legatus

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

GOVERNANCE

Decision Making Structure of Council

1. Attendance by the Public

- Council meetings were held at the Council Chamber, 94 Ayr Street, Jamestown at 9 am on the third Tuesday of each month.
- Council's Audit Committee meet at least twice per year, and other times as appropriate.
- The Council Assessment Panel meets as required. In the 2019/2020 reporting year, the Panel met once.
- The Building Fire Safety Committee hold a minimum of 2 meeting each calendar year.
- Council, Committee and Panel meetings are open to the public and attendance at these meetings is encouraged.

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

POST: PO Box 120, Jamestown SA 5491

EMAIL: admin@nacouncil.sa.gov.au

2. Deputations

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

3. Written Requests

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

GOVERNANCE CONTINUED

4. Petitions

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

5. Elected Members

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

6. Agenda & Minutes

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

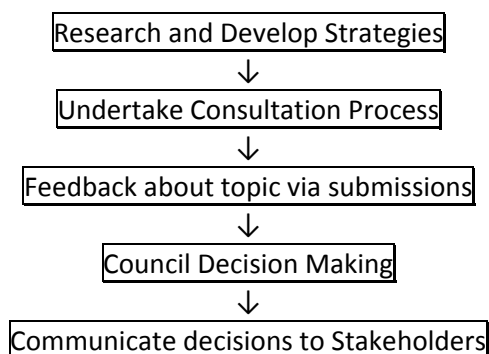
Minutes for Council meetings are displayed within 5 days of the meeting date.

Public Consultation

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

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

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



Procurement Policy and Procedure

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

Tenders are called if:

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

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

These being:

- Open Tenders. All interested parties are invited through open public advertisement to tender on a common basis. Tenderers are required to prove they have the necessary competence, resources, quality, occupational health and safety management and financial capacity to undertake the work.

GOVERNANCE CONTINUED

- Selected Tenders. A limited number of organisations are directly invited to tender because of their proven experience or recognised ability to undertake particular work.
- Negotiated Tenders. A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.
- Pre-registered tenders. Expressions of interest are invited for a project. Applicants are evaluated with a small number meeting the required criteria then being invited to tender.

A copy of the Tender Policy and Procedure is available on the Council website.

Internal Review of Council Decision

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

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

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

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

No requests were received to review a Council Decision in the 2019/2020 year.

Complaints Policy and Procedure

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

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

Delegations

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

Strategic Plan

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

The Plan has been developed through a process which involved:

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

GOVERNANCE CONTINUED

The Plan has five goals:

Goal 1 – A Thriving Local Economy

Goal 2 – A Desirable Place to Live or Visit

Goal 3 – Stronger Communities Across our Region

Goal 4 – Effective Infrastructure & Community Assets

Goal 5 – Sustained Financial Stability

Actions have been developed for each of these Goals.

Key External Organisation Links

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

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

Council Member Allowances

The Northern Areas Council is in Group 4. The Annual allowances for the Northern Areas Council Members as at 30 June 2020 were:

Councillor	\$ 10,268 per annum
Deputy Mayor	\$12,835 per annum
Mayor	\$41,072 per annum

Council Member Allowances are paid quarterly in arrears.

Northern Areas Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

VISION 2027

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.



Northern Areas Council

General Purpose Financial Statements for the year ended 30 June 2020

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Northern Areas Council

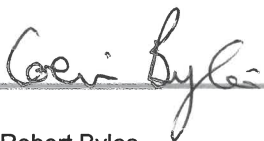
General Purpose Financial Statements for the year ended 30 June 2020

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Colin Robert Byles
CHIEF EXECUTIVE OFFICER



Denis Vincent Clark
MAYOR

Date: 14 October 2020

Northern Areas Council

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	8,708	8,410
Statutory Charges	2b	111	111
User Charges	2c	180	149
Grants, Subsidies and Contributions	2g	2,711	2,593
Investment Income	2d	65	120
Reimbursements	2e	142	160
Other Income	2f	325	370
Net Gain - Equity Accounted Council Businesses	19	15	12
Total Income		12,257	11,925
Expenses			
Employee Costs	3a	3,541	3,428
Materials, Contracts & Other Expenses	3b	3,647	3,355
Depreciation, Amortisation & Impairment	3c	4,867	4,745
Finance Costs	3d	351	404
Total Expenses		12,406	11,932
Operating Surplus / (Deficit)		(149)	(7)
Asset Disposal & Fair Value Adjustments	4	81	19
Amounts Received Specifically for New or Upgraded Assets	2g	140	1,442
Physical Resources Received Free of Charge	2h	-	175
Net Surplus / (Deficit) ¹		72	1,629
Total Comprehensive Income		72	1,629

¹ Transferred to Statement of Changes in Equity

Northern Areas Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	4,108	4,140
Trade & Other Receivables	5b	852	1,598
Inventories	5c	238	172
Total Current Assets		5,198	5,910
Non-Current Assets			
Financial Assets	6a	438	457
Equity Accounted Investments in Council Businesses	6b	82	67
Infrastructure, Property, Plant & Equipment	7a	168,189	167,818
Total Non-Current Assets		168,709	168,342
TOTAL ASSETS		173,907	174,252
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	927	1,265
Borrowings	8b	2,927	2,023
Provisions	8c	1,114	978
Total Current Liabilities		4,968	4,266
Non-Current Liabilities			
Borrowings	8b	4,585	5,663
Provisions	8c	39	80
Total Non-Current Liabilities		4,624	5,743
TOTAL LIABILITIES		9,592	10,009
Net Assets		164,315	164,243
EQUITY			
Accumulated Surplus		11,650	11,480
Asset Revaluation Reserves	9a	152,015	152,015
Other Reserves	9b	650	748
Total Council Equity		164,315	164,243

Northern Areas Council

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		11,480	152,015	748	164,243
Net Surplus / (Deficit) for Year		72	-	-	72
Total Comprehensive Income		72	-	-	72
Transfers between Reserves		98	-	(98)	-
Balance at the end of period		11,650	152,015	650	164,315
2019					
Balance at the end of previous reporting period		9,411	152,015	1,188	162,614
Net Surplus / (Deficit) for Year		1,629	-	-	1,629
Total Comprehensive Income		1,629	-	-	1,629
Transfers between Reserves		440	-	(440)	-
Balance at the end of period		11,480	152,015	748	164,243

Northern Areas Council

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates		8,643	8,343
Statutory Charges		121	121
User Charges		196	162
Grants, Subsidies and Contributions (operating purpose)		2,733	2,652
Investment Receipts		65	120
Reimbursements		155	160
Other Receipts		1,823	198
<u>Payments</u>			
Payments to Employees		(3,431)	(3,311)
Payments for Materials, Contracts & Other Expenses		(4,809)	(4,200)
Finance Payments		(353)	(411)
Net Cash provided by (or used in) Operating Activities	11b	5,143	3,834
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		140	1,442
Sale of Replaced Assets		-	31
Sale of Surplus Assets		81	-
Repayments of Loans by Community Groups		53	90
Distributions Received from Equity Accounted Council Businesses		15	12
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(4,271)	(4,528)
Expenditure on New/Upgraded Assets		(967)	(1,595)
Net Purchase of Investment Securities		(37)	(6)
Loans Made to Community Groups		-	(40)
Capital Contributed to Equity Accounted Council Businesses		(15)	(12)
Net Cash provided by (or used in) Investing Activities		(5,001)	(4,606)
Cash Flows from Financing Activities			
<u>Payments</u>			
Repayments of Borrowings		(174)	(1,031)
Net Cash provided by (or used in) Financing Activities		(174)	(1,031)
Net Increase (Decrease) in Cash Held		(32)	(1,803)
plus: Cash & Cash Equivalents at beginning of period	11	4,140	5,943
Cash & Cash Equivalents at end of period	11	4,108	4,140
Additional Information:			
plus: Investments on hand - end of year	6a	160	123
Total Cash, Cash Equivalents & Investments		4,268	4,263

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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

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n/a - not applicable

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

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 20 October 2020.

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:

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

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,702,602	\$1,784,052	+ \$918,550
2017/18	\$2,027,474	\$1,990,758	+ \$36,716
2018/19	\$2,370,039	\$1,991,943	+ \$378,096
2019/20	\$1,850,352	\$1,795,389	+ \$54,963

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

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

Construction Contracts

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local*

Government Act 1999. Other receivables are generally unsecured and do not bear interest.

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

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

5.2 Other Real Estate Held for Resale

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

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are

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

Note 1. Summary of Significant Accounting Policies (continued)

recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

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

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially

different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

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

Building & Other Structures

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

Infrastructure

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

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

Note 1. Summary of Significant Accounting Policies (continued)

Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

Other Assets

Library Books	10 to 15 years
Artworks	indefinite

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".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate	0.50% (2019, 1.11%)
Weighted avg. settlement period	9.3 years (2019, 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

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

Note 1. Summary of Significant Accounting Policies (continued)

periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

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 and set out in detail in Note 19.

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.

13 New and amended accounting standards and interpretations

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

Northern Areas Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are 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 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

- AASB 1059 Service Concession Arrangements: Grantors

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

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

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

- AASB 17 Insurance Contracts

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

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

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 Disclaimer

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

Northern Areas Council

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

Note 2. Income

\$ '000	Notes	2020	2019
(a). Rates Revenues			
General Rates			
General Rates		7,213	6,952
Total General Rates		7,213	6,952
Other Rates (Including Service Charges)			
Natural Resource Management Levy		289	280
Waste Collection		399	385
Community Wastewater Management Systems		837	813
Total Other Rates		1,525	1,478
Other Charges			
Penalties for Late Payment		46	43
Legal & Other Costs Recovered		1	12
Total Other Charges		47	55
Less: Discretionary Rebates, Remissions & Write Offs		(77)	(75)
Total Rates Revenues		8,708	8,410
(b). Statutory Charges			
Development Act Fees		42	41
Town Planning Fees		14	17
Animal Registration Fees & Fines		40	36
Sundry		15	17
Total Statutory Charges		111	111
(c). User Charges			
Cemetery/Crematoria Fees		48	31
Hall & Equipment Hire		26	31
Property Lease		10	2
Sundry		14	24
Waste Management		36	27
Road Rents		11	10
Washdown Bay		35	24
Total User Charges		180	149
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		42	90
- Banks & Other		2	6
- Loans to Community Groups		21	24
Total Investment Income		65	120

Northern Areas Council

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

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(e). Reimbursements			
Roadworks		15	30
NRM Costs		4	8
Other		123	122
Total Reimbursements		142	160
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		10	-
Rebates Received		35	62
Sundry		5	7
Section 41 Committees		275	301
Total Other Income		325	370
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		140	1,442
Total Amounts Received Specifically for New or Upgraded Assets		140	1,442
Untied - Financial Assistance Grant		1,850	2,370
Roads to Recovery		612	-
Library and Communications		19	20
Sundry		230	203
Total Other Grants, Subsidies and Contributions		2,711	2,593
Total Grants, Subsidies, Contributions		2,851	4,035
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		612	100
State Government		1,870	2,684
Other		369	1,251
Total		2,851	4,035
(h). Physical Resources Received Free of Charge			
Roads, Bridges & Footpaths		-	175
Total Physical Resources Received Free of Charge		-	175

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

Note 3. Expenses

\$ '000	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		3,279	3,136
Employee Leave Expense		416	495
Superannuation - Defined Contribution Plan Contributions	18	263	252
Superannuation - Defined Benefit Plan Contributions	18	68	70
Workers' Compensation Insurance		88	86
Less: Capitalised and Distributed Costs		(573)	(611)
Total Operating Employee Costs		3,541	3,428
Total Number of Employees (full time equivalent at end of reporting period)		48	48
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		12	12
Bad and Doubtful Debts		3	-
Elected Members' Expenses		143	144
Election Expenses		2	26
Subtotal - Prescribed Expenses		160	182
(ii) Other Materials, Contracts and Expenses			
Contractors		1,032	941
Energy		141	147
Legal Expenses		39	19
Levies Paid to Government - NRM levy		288	280
Insurance		433	434
Maintenance - Infrastructure		853	703
Maintenance - Plant & Equipment		366	373
Fuel - Plant & Equipment		405	447
Libraries		93	92
Waste Management		515	522
Section 41 Expenses		94	116
IT & Communications		158	140
Water		177	150
Community Grants/Donations		386	129
Less: Capitalised and Distributed Costs		(1,493)	(1,320)
Subtotal - Other Material, Contracts & Expenses		3,487	3,173
Total Materials, Contracts and Other Expenses		3,647	3,355

Northern Areas Council

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

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		463	461
Infrastructure			
- Stormwater Drainage		102	98
- CWMS		347	322
- Roads		3,311	3,233
- Bridges		105	101
Plant & Equipment		501	500
Furniture & Fittings		38	30
Subtotal		4,867	4,745
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		4,867	4,745
(d). Finance Costs			
Interest on Loans		331	385
Bank Fees		20	19
Total Finance Costs		351	404

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		-	31
Less: Carrying Amount of Assets Sold		-	-
Gain (Loss) on Disposal		-	31
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		81	-
Less: Carrying Amount of Assets Sold		-	(12)
Gain (Loss) on Disposal		81	(12)
Net Gain (Loss) on Disposal or Revaluation of Assets		81	19

Northern Areas Council

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

Note 5. Current Assets

\$ '000	Notes	2020	2019
(a). Cash & Cash Equivalent Assets			
Cash on Hand at Bank		2,286	1,822
Deposits at Call		1,822	2,318
Total Cash & Cash Equivalent Assets		4,108	4,140
(b). Trade & Other Receivables			
Rates - General & Other		518	453
Accrued Revenues		57	115
Debtors - General		99	788
GST Recoupment		125	192
Loans to Community Organisations		53	50
Total Trade & Other Receivables		852	1,598
(c). Inventories			
Stores & Materials		36	31
Trading Stock		202	141
Total Inventories		238	172

Note 6. Non-Current Assets

(a). Financial Assets			
Receivables			
Loans to Community Organisations		278	334
Total Receivables		278	334
Other Financial Assets (Investments)			
Fixed Term Deposits - Section 41 Committees		160	123
Total Other Financial Assets (Investments)		160	123
Total Financial Assets		438	457
(b). Equity Accounted Investments in Council Businesses			
Central Local Government Region of SA Inc.	19	82	67
Total Equity Accounted Investments in Council Businesses		82	67

Northern Areas Council

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

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

\$ '000	Fair Value Level	as at 30/6/2019				Asset Movements during the Reporting Period					as at 30/6/2020			
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
						New / Upgrade	Renewals							
Land - Other	2	8,354	-	-	8,354	-	-	-	-	-	8,354	-	-	8,354
Buildings & Other Structures	2	2,079	178	265	1,992	-	-	-	(94)	-	2,092	178	372	1,898
Buildings & Other Structures	3	25,723	1,929	13,577	14,075	281	129	-	(369)	13	25,723	2,339	13,933	14,129
Infrastructure														
- Stormwater Drainage	3	3,699	1,032	795	3,936	79	260	-	(102)	(189)	3,509	1,371	896	3,984
- CWMS	3	17,113	1,109	5,077	13,145	306	146	-	(347)	2	17,116	1,559	5,423	13,252
- Roads	3	149,370	7,986	38,263	119,093	296	3,008	-	(3,311)	190	149,560	11,290	41,574	119,276
- Bridges	3	9,423	1,008	6,575	3,856	-	65	-	(105)	-	9,423	1,073	6,680	3,816
Plant & Equipment		-	9,331	6,062	3,269	-	617	(5)	(501)	(15)	-	9,614	6,250	3,364
Furniture & Fittings		-	432	334	98	47	10	-	(38)	(1)	-	489	373	116
Total Infrastructure, Property, Plant & Equipment		215,761	23,005	70,948	167,818	1,009	4,235	(5)	(4,867)	-	215,777	27,913	75,501	168,189
Comparatives		215,786	16,436	66,366	165,856	1,595	5,154	(41)	(4,745)	-	215,761	23,005	70,948	167,818

Note 7a (ii). Investment Property

Nil

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

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

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

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

\$ '000

Valuation of Assets (continued)

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.

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 1 July 2016 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 financial year.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2016 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 financial year.

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

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

\$ '000

Valuation of Assets (continued)

Infrastructure

Roads, Kerb and Gutter, Footpaths

Transportation assets were valued by Moloney Asset Management Systems at depreciated current replacement cost as at 1 July 2016, based on actual costs incurred during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 financial year.

Stormwater drainage infrastructure was valued by Asset Valuation & Consulting Pty Ltd as at 1 July 2013 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2013. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 financial year.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2016 by Gayler Professional Services. All acquisitions made after the respective dates of valuation are recorded at cost.

Bridges were revalued as at 1 July 2016 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 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.

Note 8. Liabilities

		2020	2020	2019	2019
\$ '000	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		677	-	962	-
Accrued Expenses - Employee Entitlements		111	-	88	-
Accrued Expenses - Finance Costs		49	-	51	-
Accrued Expenses - Other		90	-	164	-
Total Trade and Other Payables		927	-	1,265	-

Northern Areas Council

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

Note 8. Liabilities (continued)

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(b). Borrowings					
Loans		2,927	4,585	2,023	5,663
Total Borrowings		2,927	4,585	2,023	5,663

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

(c). Provisions

Employee Entitlements (including oncosts)	1,114	39	978	80
Total Provisions	1,114	39	978	80

Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land - Other	7,685	-	-	-	7,685
Buildings & Other Structures	10,381	-	-	-	10,381
Infrastructure					
- Stormwater Drainage	2,805	-	-	-	2,805
- CWMS	7,029	-	-	-	7,029
- Roads	120,856	-	-	-	120,856
- Bridges	3,211	-	-	-	3,211
JV's / Associates - Other Comprehensive Income	48	-	-	-	48
Total Asset Revaluation Reserve	152,015	-	-	-	152,015
Comparatives	152,015	-	-	-	152,015

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
Jamestown CWMS Reserve	205	-	(205)	-	-
Laura CWMS Reserve	306	35	-	-	341
Gladstone CWMS Reserve	139	10	-	-	149
Total Other Reserves	650	45	(205)	-	490
Comparatives	748	13	(111)	-	650

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

Note 9. Reserves (continued)

\$ '000

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

Notes

2020

2019

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

Cash & Financial Assets

Unexpended amounts received from Federal Government

CWMS	730	822
Total Cash & Financial Assets	730	822
Total Assets Subject to Externally Imposed Restrictions	730	822

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 2020

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	4,108	4,140
Balances per Statement of Cash Flows		4,108	4,140
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		72	1,629
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		4,867	4,745
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(15)	(12)
Non-Cash Asset Acquisitions		-	(175)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(140)	(1,442)
Net (Gain) Loss on Disposals		(81)	(19)
		4,703	4,726
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		749	(966)
Net (Increase)/Decrease in Inventories		(66)	(65)
Net Increase/(Decrease) in Trade & Other Payables		(338)	78
Net Increase/(Decrease) in Unpaid Employee Benefits		95	61
Net Cash provided by (or used in) operations		5,143	3,834
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2h	-	175
Amounts recognised in Income Statement		-	175
Total Non-Cash Financing & Investing Activities		-	175
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		150	150
Corporate Credit Cards		20	20
LGFA Cash Advance Debenture Facility		1,150	2,000

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

Northern Areas Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	82	67
Economic Development	182	845	279	265	(97)	580	147	1,120	674	695
Protection of the Environment	2	2	5	4	(3)	(2)	-	-	-	-
Sport & Recreation	328	359	1,227	1,171	(899)	(812)	150	180	15,767	15,714
Transport & Communication	1,144	1,407	5,071	4,758	(3,927)	(3,351)	1,144	1,397	127,551	127,369
Other Purposes	296	265	713	916	(417)	(651)	-	-	6,491	6,477
Mining, Manufacturing & Construction	29	29	212	205	(183)	(176)	-	-	-	-
Community Amenities	111	93	2,147	2,094	(2,036)	(2,001)	7	1	14,347	14,258
Health & Welfare	57	50	86	79	(29)	(29)	-	-	1,404	1,102
Public Order & Safety	40	49	74	88	(34)	(39)	-	-	286	291
Administration	10,275	9,952	2,594	2,352	7,681	7,600	1,403	1,337	7,305	8,279
Total Functions/Activities	12,464	13,051	12,408	11,932	56	1,119	2,851	4,035	173,907	174,252

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 2020

Note 12b. Components of Functions

\$ '000

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 2020

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 0.25% and 1.5% (2019: 1.5% and 2.15%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 9% (2019: 9%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 2.2% and 6.7% (2019: 3.75% and 6.7%).

Carrying Amount:

Approximates fair value.

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

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
<u>Financial Assets</u>					
Cash & Equivalents	4,108	-	-	4,108	4,108
Receivables	74	288	115	477	612
Other Financial Assets	242	-	-	242	242
Total Financial Assets	4,424	288	115	4,827	4,962
<u>Financial Liabilities</u>					
Payables	677	-	-	677	677
Current Borrowings	2,927	-	-	2,927	2,927
Non-Current Borrowings	-	4,455	1,597	6,052	4,585
Total Financial Liabilities	3,604	4,455	1,597	9,656	8,189
2019					
<u>Financial Assets</u>					
Cash & Equivalents	4,140	-	-	4,140	4,140
Receivables	74	208	198	480	1,479
Other Financial Assets	190	-	-	190	190
Total Financial Assets	4,404	208	198	4,810	5,809
<u>Financial Liabilities</u>					
Payables	962	-	-	962	962
Current Borrowings	2,023	-	-	2,023	2,023
Non-Current Borrowings	-	4,042	3,244	7,286	5,663
Total Financial Liabilities	2,985	4,042	3,244	10,271	8,648

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	2.20%	1,850	3.35%	1,000
Fixed Interest Rates	5.25%	5,662	5.21%	6,686
		7,512		7,686

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 & 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.

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

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures (continued)

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

Notes

2020

2019

(a). Capital Commitments

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

Buildings	95	-
Infrastructure	350	377
Plant & Equipment	489	-
	934	377

These expenditures are payable:

Not later than one year	934	377
	934	377

(b). Other Expenditure Commitments

Maintenance Contracts	451	-
	451	-

These expenditures are payable:

Not later than one year	231	-
Later than one year and not later than 5 years	220	-
	451	-

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

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2020	2020	2019	2018

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

1. Operating Surplus Ratio

Operating Surplus	(149)	(1.2%)	(0.1%)	0.3%
Total Operating Income	12,257			

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	4,194	34%	32%	30%
Total Operating Income	12,257			

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

Adjustments to Ratios

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

Adjusted Operating Surplus Ratio	(2%)	(3%)	0%
Adjusted Net Financial Liabilities Ratio	45%	42%	38%

3. Asset Renewal Funding Ratio

Net Asset Renewals	4,271	96%	105%	102%
Infrastructure & Asset Management Plan required expenditure	4,429			

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

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

Note 15. Financial Indicators - Graphs (continued)

<div><div>1. Operating Surplus Ratio</div><div><div>Ratio %</div><div><div><div>1%</div><div>1%</div><div>0%</div><div>0%</div><div>-1%</div><div>-1%</div><div>-2%</div></div><div><div>0.3%</div><div>2018</div><div>-0.1%</div><div>2019</div><div>-1.2%</div><div>2020</div></div></div></div></div>	<div><div>Purpose of Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div></div>	<div><div>Commentary on 2019/20 Result</div><div><div>2019/20 Ratio</div><div>-1%</div></div><div><div>Council's Target range is 0-10%. This was adopted by Council in December 2019 as part of reviewing the Long Term Financial Plan (LTFP).</div></div></div>
<div><div>2. Net Financial Liabilities Ratio</div><div><div>Ratio %</div><div><div>40%</div><div>30%</div><div>20%</div><div>10%</div><div>0%</div></div><div><div>30%</div><div>2018</div><div>32%</div><div>2019</div><div>34%</div><div>2020</div></div></div></div>	<div><div>Purpose of Net Financial Liabilites Ratio</div><div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div></div>	<div><div>Commentary on 2019/20 Result</div><div><div>2019/20 Ratio</div><div>34%</div></div><div><div>Council's Net Financial Liabilities as a proportion of Council's annual operating income will peak in 2020-21 and is expected to reduce over the remaining life of the LTFP as our cash position improves. Council's Target range is 0-50%</div></div></div>
<div><div>Adjusted Operating Surplus Ratio</div><div><div>Ratio %</div><div><div>0%</div><div>-1%</div><div>-2%</div><div>-3%</div><div>-4%</div></div><div><div>2018</div><div>0.0%</div><div>2019</div><div>-3.1%</div><div>2020</div><div>-1.7%</div></div></div></div>	<div><div>Purpose of Adjusted Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div></div>	<div><div>Commentary on 2019/20 Result</div><div><div>2019/20 Ratio</div><div>-2%</div></div><div><div>A breakeven position was budgeted to occur in the 2019/20 Budget. The continued improving trend will see the Operating Surplus Ratio exceed the target range by 2026/27.</div></div></div>
<div><div>Adjusted Net Financial Liabilities Ratio</div><div><div>Ratio %</div><div><div>60%</div><div>50%</div><div>40%</div><div>30%</div><div>20%</div><div>10%</div><div>0%</div></div><div><div>38%</div><div>2018</div><div>42%</div><div>2019</div><div>45%</div><div>2020</div></div></div></div>	<div><div>Purpose of Adjusted Net Financial Liabilities Ratio</div><div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div></div>	<div><div>Commentary on 2019/20 Result</div><div><div>2019/20 Ratio</div><div>45%</div></div><div><div>2020/21 Financial Assistance Grants were received in advance in May 2020 and amounted to \$985,927.</div></div></div>
<div><div>3. Asset Renewal Funding Ratio</div><div><div>Ratio %</div><div><div>108%</div><div>103%</div><div>98%</div><div>93%</div><div>88%</div></div><div><div>102%</div><div>2018</div><div>105%</div><div>2019</div><div>96%</div><div>2020</div></div></div></div>	<div><div>Purpose of Asset Renewal Funding Ratio</div><div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div></div>	<div><div>Commentary on 2019/20 Result</div><div><div>2019/20 Ratio</div><div>96%</div></div><div><div>Budgeted renewal of existing assets over the life of the current LTFP averages 104% which is within Council's target range of 95-105%</div></div></div>

Northern Areas Council

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

Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	12,257	11,925
less Expenses	(12,406)	(11,932)
Operating Surplus / (Deficit)	(149)	(7)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,271)	(4,528)
<i>add back</i> Depreciation, Amortisation and Impairment	4,867	4,745
<i>add back</i> Proceeds from Sale of Replaced Assets	-	31
Subtotal	596	248
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(967)	(1,595)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	140	1,442
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	81	-
Subtotal	(746)	(153)
Net Lending / (Borrowing) for Financial Year	(299)	88

Note 17. Leases

Council does not have any Leases.

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

Note 18. Superannuation

\$ '000

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

Accumulation only Members

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

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

Northern Areas Council

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

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
Joint Ventures	15	12	82	67
Total	15	12	82	67

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Central Local Government Region of SA Inc	Local Government Regional Collaboration	82	67
Total Carrying Amounts - Joint Ventures & Associates		82	67

Central Local Government Region of SA Inc. (Trading as Legatus Group)

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

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Central Local Government Region of SA Inc.		7%		7%		7%

(c) Movement in Investment in Joint Venture or Associate

	Central Local Government Region of SA Inc.	
	2020	2019
Opening Balance	67	55
Share in Operating Result	15	12
Council's Equity Share in the Joint Venture or Associate	82	67

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

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

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

1. LAND UNDER ROADS

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

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$331,034 (2019: \$384,042) at reporting date.

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

4. LEGAL MATTERS

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

5. TRUST FUNDS

Council holds funds on behalf of community bodies totalling \$386,281.56. These have not been included in the financial statements.

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

Note 22. Events After the Statement of Financial Position Date

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

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

Accordingly, the "authorised for issue" date is 14 October 2020.

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

Note 23. Related Party Transactions

\$ '000	2020	2019
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Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 13 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	788	721
Long-Term Benefits	15	-
Total	803	721

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

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	1	1
Total	1	1

Northern Areas Council Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report of the Northern Areas Council (Council) for the year ended 30 June 2020.

Opinion

In our opinion, the financial statements of the Council are properly drawn up:

- a) to present fairly the financial position of the Council as at the 30 June 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the council to meet the requirements of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



Ian G McDonald FCA
Registered Company Auditor 16458

Signed 14th October 2020 at Grange, South Australia

Independent Assurance Report on the Internal Controls of the Northern Areas Council

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

Opinion

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

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitation on Use

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

Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

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* in relation to Internal Controls 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 Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, issued by the *Australian Auditing and Assurance Standards Board*, in order to state whether, in all material respects, the Council has complied with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2019 to 30 June 2020. *ASAE 3100* also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks.

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

Ian G McDonald FCA

Chartered Accountant

Registered Company Auditor 16458

Signed: 14th day of October 2020 at Grange, South Australia

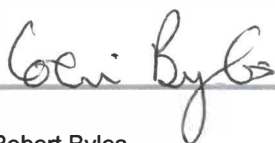
Northern Areas Council

General Purpose Financial Statements for the year ended 30 June 2020

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Northern Areas Council for the year ended 30 June 2020, the Council's Auditor, Ian G McDonald FCA has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Colin Robert Byles
CHIEF EXECUTIVE OFFICER



Ian Swan
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 14 October 2020

Northern Areas Council

General Purpose Financial Statements

For the year ended 30 June 2020

Audit Certificate of Audit Independence

We confirm that, for the audit of the financial statements of the Northern Areas Council for the year ended 30 June 2020, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

A handwritten signature in blue ink, reading "Ian McDonald".

Ian G McDonald FCA

Dated this 29th day of September 2020