

*Lifestyle for the future*



**Barunga West Council  
Annual Report 2018/19**

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# Message from the Mayor and the CEO

Local Government is still considered to be the level of government closest to the people, that is, the local community of the whole Council area. The 2018/19 Annual Report for Barunga West Council is an overview of the activities and projects undertaken by Council over the past twelve months. This Annual Report is presented for you for your information and consideration.

A major element of activities undertaken by Council during the 2018/19 year was administering the \$1million funding provided by the Federal Government under the Drought Communities Program. The Barunga West Council was included in the grant program in September 2018, with eligible projects to be completed by the 30th of June 2019. The nature of the grant funding was to use the funds to support local businesses with projects within the Council area.

The projects undertaken through this program included 26 separate projects including such projects as installing solar panels and batteries to the Tickera Community Centre, upgrading the Hall and septic system at Thomas Plains, concreting the entrance to the Bute CFS Shed, installing new paving work at the Bute Sporting Club, upgrading building work at the Mundoora Community Club and with new fencing at the Mundoora Tennis Club. There was new air conditioning installed at the Port Broughton Bowling Club, along with some stormwater work at the Bute Bowling Club. New town entrance signs were installed at Kulpara, as well as a two community events supporting 'resilience', with one school-based program within the Port Broughton Area School and Bute Primary School.

During the year, significant change has occurred in the composition of Council with the running of the four-yearly Local Government elections in November 2018. There were 12 nominated candidates for 9 positions. Unfortunately, three candidates would miss out. Details of the new Elected Members of Council are detailed within this Annual Report. We look forward to an effective time ahead with the new Council, understanding the difficult decisions that are faced by Council from time to time.

Council developed a proposal to introduce a Barunga West Community Solar Project during early 2019, with a launch date of the 2019/20 financial year. The development work for this project has highlighted the opportunity for local residents to take advantage of a cost effective solution for the installation of solar panels on their homes, as a way to reduce the impact of increasing electricity costs.

Legislative changes continue to impact the operations of Council. The new planning laws are continuing to be assessed and reviewed for their impact on property owners within the Council area. Proposed changes to the Fire and Emergency Services Act generated much community comment, as well as the varied issues surrounding the local 'Teddy Bear Fence' on the Copper Coast Highway.

Other issues that have arisen during the 2018/19 year have been the work around recreational facilities within the Port Broughton Foreshore Playground area, work towards assisting the Port Broughton District Hospital Health Advisory Council in progressing plans for a 24-hour all-weather MedStar helipad, as well bedding down the dog and cat registration system through the new Dog and Cat Online (DACO) System.

Council is continuing to work collaboratively on the Fisherman Bay Freeholding Project, with the goal of working towards the successful freeholding of shacks at Fisherman Bay, in a manner that as far as possible represents the best interests of current and future residents of Fisherman Bay, while continuing to balance the interests of the broader Council area and community.

Projects completed during the year have included the installation of two Electric Vehicle charging stations at Port Broughton, over 27 kilometres of unsealed road renewal and specific localised road maintenance as required through the year.

Our team of new Elected Members and staff continue to work towards a positive contribution through such projects and issues as detailed above and to provide a valued and valuable service to our local community.

Leonie Kerley  
**Mayor**



Andrew Cole  
**Chief Executive Officer**



# Council Profile

## Council Offices and Contact Details

Head Office:

11 Bay Street  
Port Broughton SA 5522  
Tel: 08 8635 2107  
Fax: 08 8635 2596

Sub Office:

Railway Terrace  
Bute SA 5560  
Tel: 08 8826 2011  
Fax: 08 8826 2173

Email: [barunga@barungawest.sa.gov.au](mailto:barunga@barungawest.sa.gov.au)

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

## Postal Address

PO Box 3  
Port Broughton  
SA 5522

## Geographical Area

1590.4 km<sup>2</sup>

## Population

2,453 (Australian Bureau of Statistics Estimated Resident Population, Local Government Areas, South Australia, 2016)

## Road Length

Sealed Roads	72.32 Kilometres
Unsealed Roads	858.45 Kilometres

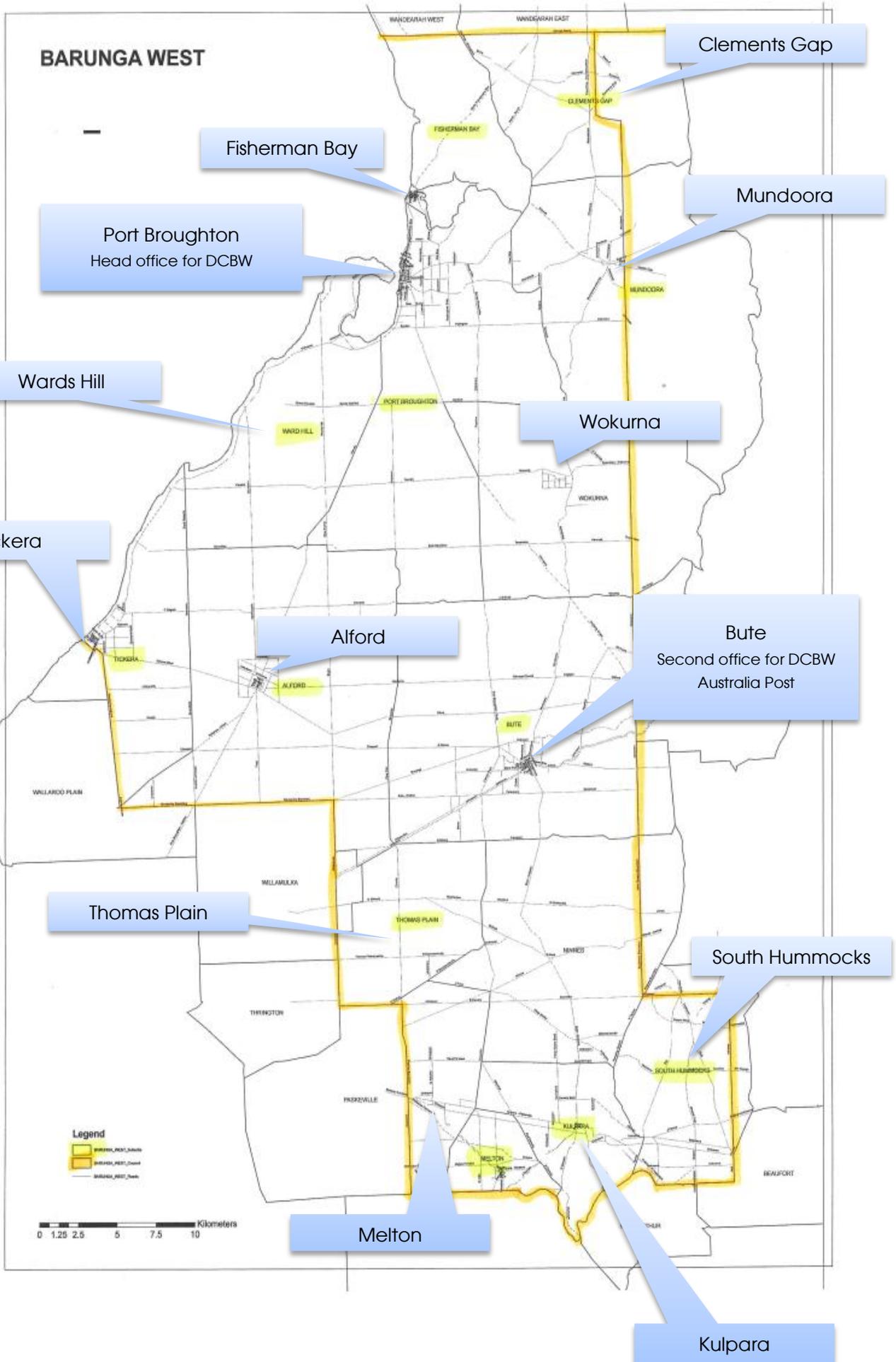
## Assessed Value

The assessed capital value of properties as at 30 June 2019 is \$1,312,869,020.

## Electorates

**Federal:** Grey – Local Member, Mr Rowan Ramsey MP

**State:** Narungga – Local Member, Mr Fraser Ellis MP



# Strategic Management

## Strategic Plan

### Review of Strategic plan

Council last reviewed its Strategic Management Plan during 2016. The Strategic Management Plan will be extensively reviewed in the second-half of 2019 due to the 2018 Local Government Elections.

### Vision

“To be recognised as a welcoming, supportive, growing community with a sustainable lifestyle and environment.”

### Mission Statement

Facilitate community engagement and collaboration to effectively deliver the community’s needs in a sustainable manner

### Our Goals

#### 1. Find The Funds And Spend Them Wisely

Council has been established at the local level to act as an informed, responsible and representative decision-maker, in the interests of the local community. Proactive and prudent financial management is essential.

#### 2. Show The World Who We Are

Council has a great story to tell and should not be afraid to let the world know who we are. We can act local and talk global.

#### 3. Make Tourism Happen

Tourism is integral to the economic and social wellbeing of the local community. Attracting overnight visitors will build economic sustainability.

#### 4. Create a Culture Worth Having

Creating a culture of excellence in all that Council does will ensure the successful delivery of outcomes for the local community and enable adjustments to be made along the journey.

#### 5. Collaborate In Development

Provide the collaborative support and planning guidance required to see future plans and visions brought into existence.

## Core Values

**TRUST** – Honesty; Being non-judgemental; Trusting ourselves; Confidentiality; Confidence in sharing information;

**PRIDE IN WHAT WE HAVE TO OFFER** – Be proud of Barunga West as a great place to work, live and play;

**RESPECT** - Foster mutual respect between the Community, Elected Members and Staff;

**COMMUNICATION** – Positive Interaction; Listening; Not being Distracted; Communicate effectively with the Community;

**SUPPORT** – Promote, achieve and support Change.



## Strategic Management Plan Outcomes

The following is a summary of the Five Key Goals contained within Council's Strategic Management Plan 2013-2020.

1. **Find The Funds And Spend Them Wisely** - Council has been established at the local level to act as an informed, responsible and representative decision-maker, in the interests of the local community. Proactive and prudent financial management is essential.

### Strategic Objectives:

- 1.1 Win grants
- 1.2 Find alternative revenue sources
- 1.3 Grow ratepayer base
- 1.4 Adopt sophisticated strategic plans, such as asset management and financial plans

2. **Show The World Who We Are** – Council has a great story to tell and should not be afraid to let the world know who we are. We can act local and talk global.

### Strategic Objectives:

- 2.1 Develop a powerful identity
- 2.2 Be known for our location

3. **Make Tourism Happen** – Tourism is integral to the economic and social wellbeing of the local community. Attracting overnight visitors will build economic sustainability.

### Strategic Objectives:

- 3.1 Develop the interconnections across our whole footprint
- 3.2 Create a vibrant foreshore
- 3.3 Use the sea for every sort of water sport and marine activity
- 3.4 Invest in other tourism-based facilities

4. **Create a Culture Worth Having** – Creating a culture of excellence in all that Council does will ensure the successful delivery of outcomes for the local community and enable adjustments to be made along the journey

**Strategic Objectives:**

- 4.1 Build a great team
- 4.2 Embed the culture we want
- 4.3 Have fun
- 4.4 Create a work environment that is friendly, productive and rewards team players

5. **Collaborate In Development** – Provide the collaborative support and planning guidance required to see future plans and visions brought into existence.

**Strategic Objectives:**

- 5.1 Facilitate and Support Development Activity
- 5.2 Strive to develop centres of excellence for farming and estuarine management

## Annual Business Plan Objectives 2018-19

Projects for 2018/19 include	Strategic Objectives	Status
Upgrade of phone system to incorporate depot and Bute office with Port Broughton office	4.4 Create a work environment that is friendly, productive and rewards team players	Completed
Install new Signage at District & Town entrances	2.2 Constantly seek to improve town entrances and facilities	Completed
Public Art/Sculpture on Port Broughton Foreshore	3.4 Invest in other tourism-based facilities	Deferred to 2019/20
Arbon Road Bute upgrade of surface	1 Find the Funds and Spend them Wisely	Completed
Complete Works at Gunner Bills Gallery, Bute	1 Find the Funds and Spend them Wisely	Completed
Council Capital Fund	2.2 Create partnerships that will enable our attractions to better service the needs of tourists	Not Utilized
Replace CEO Vehicle	1 Find the Funds and Spend them Wisely	Completed
Replace Deputy CEO Vehicle	1 Find the Funds and Spend them Wisely	Completed
Footpath Upgrades in Port Broughton & Bute	1 Find the Funds and Spend them Wisely	Completed
<b>Capital Upgrades – Roads (Unsealed &amp; Sealed)</b>		
Block F Road	1.4 As per Roads IAMP Plan Methodology	Completed
Five Mile Road	1.4 As per Roads IAMP Plan Methodology	Completed
Strathneath Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Towerview Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Sandpit Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Gulfview Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Church Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Thomas Plains – Kadina Rd	1.4 As per Roads IAMP Plan Methodology	Completed
Broughton Tce (Section 1), Tickera	1.4 As per Roads IAMP Plan Methodology	Completed
Broughton Tce (Section 2), Tickera	1.4 As per Roads IAMP Plan Methodology	Completed

# Corporate Governance

## The Elected Body

The Council is composed of nine (9) elected members, including a Mayor, who form part of an incorporated body which has the responsibility for carrying out the duties and exercising the powers conferred on the Council by the Local Government Act 1999 and other State and supporting legislation.

The current Council was elected in November 2018 for a four year term.

In the November 2018 election, the Council had 12 nominations for 9 vacancies. The number of ballot papers received was 1108 ballots, comprising a return rate of 56.07%. This represents a slight decline from 2014, which comprised a return rate of 62.2%, with the previous return rate in 2010 being 60.6%.

In terms of representation, Council has 4 female elected members (from 9 in total) which gives a percentage of 44.4%, down slightly on the previous term of Council which had 5 female elected members.

## Councillors and Committees

The current Annual Report period of 2018/2019 spans two terms of Council, as the periodic Local Government Election was held in November 2018.



Mayor Cynthia Axford with Deputy Mayor Dean Dolling (40 year Local Government Service award), and Councillor Georgie Simmons (20 year Local Government Service award) at the 2018 LGA AGM

## The July 2018 to November 2018 Elected Council





July to November 2018 Elected Council



November 2018 to June 2019 Elected Council

## The November 2018 to June 2019 Elected Council



Mayor Leonie Kerley



Deputy Mayor  
Peter Button



Councillor  
Rebecca Hewett



Councillor  
Dave Eason



Councillor  
Margaret McDonald



Councillor  
Grant Rowlands



Councillor  
Brian Lockyer



Councillor  
Rob Locke



Councillor  
Georgie Simmons

## Meeting attendance record – July 2018 to November 2018

Elected Member	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Executive Committee Meetings
Mayor Cynthia Axford	3 of 4*	3 of 3	2 of 2	1 of 1
Deputy Mayor Dean Dolling	4 of 4	3 of 3	2 of 2	1 of 1
Cr James Bettess	4 of 4	1 of 3*		
Cr Leonie Kerley	4 of 4	2 of 3*		1 of 1
Cr Michelaine Barker	4 of 4	1 of 3*		
Cr Gregory Winen	3 of 4*	1 of 3*	1 of 2*	
Cr Malcolm McDonald	3 of 4*	1 of 3*		
Cr Margaret McDonald	4 of 4	3 of 3	1 of 2*	1 of 1
Cr Georgie Simmons	4 of 4	2 of 3*		

\* Leave of Absence

### Executive Committee

Mayor Cynthia Axford  
 Deputy Mayor Dean Dolling  
 Councillor Margaret McDonald  
 Councillor Leonie Kerley

### Audit Committee

Independent Chair:  
 Ms Patricia Flood  
 Council Representatives:  
 Mayor Cynthia Axford  
 Deputy Mayor Dean Dolling  
 Councillor Margaret McDonald  
 Councillor Gregory Winen

## Meeting attendance record – November 2018 to June 2019

Elected Member	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Executive Committee Meetings
Mayor Leonie Kerley	8 of 8	2 of 2	2 of 2	1 of 1
Deputy Mayor Peter Button	8 of 8	1 of 2*		1 of 1
Cr Dave Eason	7 of 8*	2 of 2		1 of 1
Cr Rebecca Hewett	8 of 8	2 of 2		
Cr Rob Locke	7 of 8*	2 of 2		
Cr Brian Lockyer	8 of 8	2 of 2		
Cr Margaret McDonald	8 of 8	2 of 2	2 of 2	
Cr Grant Rowlands	7 of 8*	2 of 2	1 of 2*	1 of 1
Cr Georgie Simmons	8 of 8	1 of 2*		

\* Leave of Absence

### Executive Committee

Mayor Leonie Kerley  
Deputy Mayor Peter Button  
Councillor Grant Rowlands  
Councillor Dave Eason

### Audit Committee

Independent Chair:  
Ms Patricia Flood  
Council Representatives:  
Mayor Leonie Kerley  
Councillor Grant Rowlands  
Councillor Margaret McDonald  
Mr. Martin White (second Independent Member)

## Council Assessment Panel

Independent Chair:

Mr John Brak

Independent Members:

Mr Steven Horsell

Mr Dean Rodda

Mr Mark Weedon

Council Representative:

Councillor James Bettess (until November 2018)

Councillor Rob Locke (after November 2018)

## External Committee Representation

Mayor Leonie Kerley

Central Local Government Region – Legatus Group

Local Government Association of SA (including Local Government Finance Authority)

Deputy Mayor Peter Button

Local Government Association of SA (including Local Government Finance Authority)

Barunga West Building Fire Safety Committee (internal)

Councillor Margaret McDonald

Port Broughton Area School Governing Council

Port Broughton District Hospital and Health Services Health Advisory Committee

Councillor Georgie Simmons

Barunga Village Board

Councillor Rebecca Hewett

Yorke Peninsula Community Transport Services Inc.

Councillor Rob Locke

Barunga West Building Fire Safety Committee (internal)

Councillor Brian Lockyer

Barunga West Council Bushfire Prevention Committee (internal)

## Remuneration

Elected Members each receive an annual allowance in accordance with the Local Government Act 1999 and with the Local Government (Members Allowances and Benefits) Regulations 1999.

For the reporting period concluding 30<sup>th</sup> June 2019, the following allowances were paid:

\*Note changes to allowance rates approved by Remuneration Tribunal were effected on the 7<sup>th</sup> of November 2017, with the latest determination released on the 30<sup>th</sup> August 2018 with an effective date of the 10<sup>h</sup> of November 2018. Refer to the Remuneration Tribunal of South Australia for further details.

Elected Member	Allowance July - October 2018	Allowance Nov 2018 to June 2019	Total allowance 2018/19
Mayor	\$7,924	\$17,333	\$25,257
Deputy Mayor	\$2,476	\$5,417	\$7,893
Elected Members	\$1,981	\$4,333	\$6,314

In addition, the elected members also have the opportunity to claim for travelling expenses for attending Council meetings or as a representative of Council to committees for which they are appointed as a Council representative, should a Council vehicle be unavailable. Travel allowances are paid in accordance with the rates set by the Australian Taxation Office after an appropriate expenses claim form is submitted.

For the reporting period concluding 30<sup>th</sup> June 2019, direct travelling allowances of \$9,394 were paid.

## Committee Allowances

Audit Committee Chairperson - \$300 per meeting, plus travelling allowance.

Independent Council Assessment Panel Chairperson - \$150 per meeting, plus travel allowance. For this reporting period there were NIL meetings attended.

Independent Council Assessment Panel Members - \$100 per meeting, plus travel allowance. For this reporting period, there was one Development Assessment Panel meeting held on the 8<sup>th</sup> of August 2018.

## Elected Member Training

In accordance with Section 80A of the Local Government Act 1999, Council conducted a review of its Council Member's Training and Development Policy on 23<sup>rd</sup> November 2010. Funding is made available annually for elected members to attend conferences, training and development sessions to ensure that the elected representatives are kept abreast of development within the local government sector.

In November 2014, new mandatory training requirements have been introduced through changes to the Local Government Act 1999, requiring all Elected Members to complete a prescribed range of training activities within 12 months of a local government election.

The following development activities were undertaken in the 2018/2019 financial year:

- Mandatory Elected Member Training (Post Local Government Elections);
- Public Interest Disclosure Act 2018 Training;
- Local Government Association Roads & Works Conference;
- Local Government Association Ordinary & Annual General Meeting;
- Local Government Association Mayors & Chairperson seminar;
- Council Informal Gatherings and Workshops;
- Council Budget Workshops, and;
- Central Local Government Region (Legatus Group) meetings.

For the reporting period concluding 30<sup>th</sup> June 2019, there amount of external Elected Member training was \$2,333.



# Information Statement

This information statement is published by Barunga West Council in accordance with the requirements of the Local Government Act 1999, as amended. Barunga West Council is pleased to comply with the legislation and welcomes inquiries. An updated Information Statement will be published at least every 12 months.

## Structure and Function of Council

### Full Council

Full Council consists of nine members with one being the Mayor (as appointed by the elected members, and not at large), and is the decision making body on all policy matters.

Ordinary meetings of full Council are held on the second Tuesday of every month at 7:00pm. Meetings are held at the Port Broughton Council Chambers. Members of the public are welcome to attend.

### Committees

Committees have been formed to streamline Council's decision making process, namely:

Executive Committee – *meets as required*

Audit Committee – *meets at least 4 times annually*

Council Assessment Panel – *meets as required*

### Agendas and Minutes

Agendas of all full Council and Committee Meetings are placed on public display at Bute and Port Broughton, and Council's website, not less than three days prior to those meetings. Minutes are placed on display, within five days of that meeting at both offices, as well as being available on Council's website.

### Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are reviewed annually as required by legislation.

Council makes decisions that direct, and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the resources which are to be made available to undertake such works and services.

Decisions are made to determine whether or not approvals are to be granted for applications from residents for various forms of development.

### Council Subsidiaries

Council has no subsidiaries



## Services to the community

Council makes decisions on policy issues relating to services that are provided for members of the public. These services include:

Town Planning	Tourism initiatives
Animal Management	Ovals
Local Strategic Planning	Libraries
Food Safety Inspections	Reconciliation and working with the Narrunga people
Development Assessment	Stormwater Drainage
Street Lighting	Traffic Management
Garbage Collection And Disposals	Information Services
Community Development Programs	Walking Trails / Cycling Tracks
Online Service	Employment Training Programs
Tourism Information and Support	Community Leadership
Festivals and Events	Building Inspection
Citizenship Ceremonies	Cemeteries
Business Support	Natural Resource Management
Septic Tank Effluent Disposal Schemes	Building Fire Safety Inspections
Roadside Tree Trimming	Street Sweeping
Public Toilets	Fire Prevention
Centrelink Agency	Environmental Health
Local Representation	Pest Plants and Animal Control
Economic Development	Local Road Construction & Maintenance
Footpaths	Parks and Gardens
Caravan Parks	Reserves, Picnic and Camping Areas
Coastcare and Projects	Free Internet in Libraries
Boat Ramp Construction & Maintenance	Service SA Agency
Community Town Halls	Playgrounds
Water Supply	

## Public participation

### Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council.

These are:

1. **Deputations** – With the permission of the Mayor, a member of the public can address Council or a Council Committee personally or on behalf of a group of residents / interested persons.
2. **Presentations to Council** – With prior notification and arrangement with the Mayor, a member of the public can address Council on any issues relevant to Council.
3. **Petitions** – Written petitions can be addressed to the Council on any issue within the Council's jurisdiction.
4. **Written Requests** – A member of the public can write to the Council on any Council policy, activity or service.
5. **Elected Members** – Members of the public can contact the elected Members of Council to discuss any issues relevant to Council.

### Public Consultation

Council has duly adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act 1999.

Council's Policy is underpinned by the following Principles, which are central to effective communication and consultation. Council will:

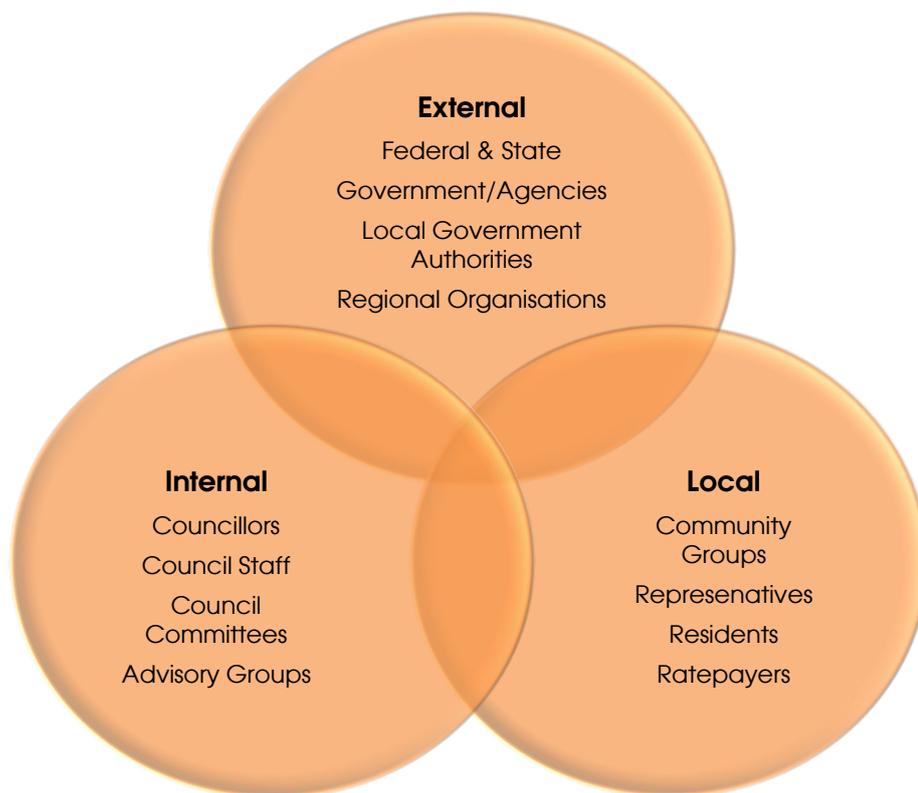
- Identify potential stakeholders in each specific circumstance
- Ensure information is easily understood and accessible to identified stakeholders, and include contact details for obtaining further information in all communications
- A range of appropriate opportunities will be provided for people to access information and to be involved, taking account of local significant barriers to access due to language, geographical distance, disability or cultural issues
- Define the parameters of the consultation process for each specific topic, and identify what aspects of the decision can be influenced by community involvement
- Aim to listen and respond to community views in a balanced way, taking account of all submissions made by various stakeholders
- Keep records and provide feedback about the reasons for decisions where relevant.
- Review and evaluate the Policy to ensure ongoing improvement in the way Council involves the community in its decision – making processes
- Refer to its Strategic Plan to promote Community Satisfaction

Council also adopted a Community Consultation Policy - Capital Works in September 2011, the purpose of which is to enable clear and effective communication for residents and ratepayers who may be impacted by Council undertaking any capital works in a close proximity to their property. The policy relates to capital works that have been approved by Council and does not relate to general maintenance issues.

## The decision making process

Community consultation is only one aspect of Council's decision making process. Council seeks to take account of the views and aspirations expressed by the community and stakeholders, and balance those with other influences such as budgetary constraints, to make decisions within the context of Council endorsed strategic directions

The following diagram identifies the various stakeholders that Council will consult with, where relevant and appropriate to the matter before it.



The following diagram outlines how Council views its consultation in relation to the decision making process



## Access to Council documents

### Documents available for inspection

In accordance with Section 132 of the Local Government Act 1999, a member of the public is entitled:

- (1) To inspect the following documents at the Council office during ordinary hours without charge; and
- (2) To purchase the following documents at the Council office during ordinary hours for a fee fixed by the Council, or may be downloaded from the Council website free of charge:
  - Strategic Management Plan
  - Long Term Financial Plan
  - Business Continuity Plan
  - Freedom of Information Statement
  - Annual Business Plan & Budget
  - Annual Financial Statements
  - Annual Report
  - Council Agendas and Minutes for meetings of Council
  - Council By-Laws

Policies  
Development Plans  
Development Register  
Council Registers  
Schedule of fees and charges

### **Other information requests**

Requests for information not included in the paragraph “Documents available for inspection” above will be considered in accordance with the Freedom of Information Act 1991. Under this legislation an application fee must be forwarded with the completed request form, unless the application is granted an exemption.

Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set out in the Act will apply.

During the 2018/19 year, the Council received no requests for information under the Freedom of Information Act.

### **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 Freedom of Information Act. A member of the public may then make application (in the prescribed form) for 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 as indicated above outlining the records that he/she wishes to inspect.

### **Council designated officer**

All enquiries concerning the lodgement procedures for Freedom of Information requests, the procedure for inspecting or purchasing the identified Barunga West Council Administrative Policy Documents, Procedures for Access to other Councils documents and Amendments of any Council records concerning the personal affairs of a member of the public are to be directed to:

Freedom of Information Officer  
Barunga West Council  
PO Box 3  
PORT BROUGHTON SA 5522

## Codes

In accordance with Schedule 4 of the Local Government Act 1999, Council maintains the following Codes:

Section 63	Members Code of Conduct
Section 92	Code of Practice for Access to Meetings and Documents
Section 110	Employees Code of Conduct

## Registers

In accordance with Schedule 4 of the Local Government Act 1999, Council maintains the following Registers:

Section 68	Members Register of Interest
Section 79	Members Register of Allowances and Benefits
Section 105	Officers Register of Salaries
Section 116	Officers Register of Interests
Section 120	Staff Register of Interests
Section 188	Fees and Charges
Section 196	Community Management Plans
Section 207	Community Land
Section 231	Public Roads
Section 252	By Laws

## Policies

In accordance with the Local Government Act 1999, Council maintains the following policies:

Section 63	Code of Conduct for Elected Members
Section 92	Code of Practice – Access to Council Meetings
Section 49	Tendering, Contracting and Disposal of Land
Section 50	Public Consultation Policy
Section 77(1)(b)	Elected Member Allowance & Benefits Policy
Section 80A	Council Member’s Training & Development Policy
Section 110	Code of Conduct Employees
Section 125 & 270	Internal Review of Council Decisions Procedure
Section 125	Internal Controls Policy
Section 259	Order Making
Section 302(b)	Whistleblower Policy

## Community Land

Council has not been required to update or finalise any community land management plans under the provisions of the Local Government Act 1999 (Chapter 11).

Council will, though, review and update the Community Land Management Plan as part of the ongoing land division proposal for Fisherman Bay, where various land parcels will be expected to be created and dedicated to Council's care & control.

## Requests for internal review of decision by council Section 270(8)

In accordance with Section 270 of the Local Government Act, the Council has established a Policy for an Internal Review of Council's decisions. During 2018/2019 there were no applications for a review of Council's decisions.

## Local Nuisance and Litter Control Act 2017

The Local Nuisance and Litter Control Act commenced 1st February 2017. As a requirement of Section 8 of the Local Nuisance and Litter Control Act Council is required to report on, the functions conferred on Council's under this Act.

Under the Act a Local Nuisance is described as being "any adverse impact on the amenity value of an area, which unreasonably interferes with, or is likely to unreasonably interfere with, the enjoyment of that area by people in that area". (Unightly conditions) In the past Illegal dumping could only be investigated on Council land, under this Act a person must not dispose of litter onto any land or into any waters. (Illegal dumping of litter)

2018/19	Local Nuisance	Litter Control
Number of Complaints	3	4
Number of offences expiated	0	3
Number of offences prosecuted	0	0
Number of abatement notices issued	0	0
Civil penalties negotiated under Section 34	0	0
Applications by council to the Court for orders for civil penalties under Section 34	0	0
Orders made by the Court on those applications	0	0
Any other functions performed by council under the Act	3	0

## Confidentiality provisions

### Exclusion of the public from meetings

Section 90(1) of the Act generally provides that a meeting of Council or its committees must be conducted in a place open to the public. However, Section 90(2) provides that a Council or its committees may order that the public be excluded from attendance at a meeting that it is considered necessary and appropriate to enable that meeting to receive, discuss or consider a matter in confidence.

Those matters are specified by Section 90(3) and include, for example, commercial information, legal advice, tenders etc.

Council chose to invoke Section 90(2) six (6) times during the year, during four (4) separate meetings.

The reasons for invoking Section 90(2) were as follows:

- 90 (3)(a) Disclosure of personal affairs – four (4) times
- 90 (3)(b) Disclosure of commercial information – two (2) times

### Confidential Documents

Section 91(1) – (6) of the Act generally provides that minutes of meeting proceedings must be kept and made available for public inspection. However, Section 91(7) provides that a Council or its committees may order that confidential documents may be excluded from general public accessibility.

Council chose to invoke Section 91(7) six (6) times during the past twelve months. 12 orders were expired, revoked or ceased to apply during 2018/2019. As at the end of 2018/19 financial year there are 13 orders which remain operative as per the table below.

Meeting Date	Issue	Comment	Relevant Section
13 <sup>th</sup> October 2015	Ombudsman SA Report		90(2) and 90(3)(a)
13 <sup>th</sup> December 2016	Fisherman Bay Land Division- Legal Requirements		90(2) and (90(3)(h)
6 <sup>th</sup> June 2017	Fisherman Bay Land Division Project	Discussion around correspondence received from Developer FBM P/L	90(2) and 90(3)(h)
13 <sup>th</sup> February 2018	Port Broughton CP Lease Arrangements		90(2) and 90(3)(b)
10 <sup>th</sup> April 2018	Port Broughton CP Lease Arrangements	Commence a period of public consultation over variation of lease.	90(2) and 90(3)(b)
5 <sup>th</sup> May 2018	Port Broughton CP Lease Arrangements	Draft Deed of Variation of current lease	90(2) and 90(3)(a)
10 <sup>th</sup> July 2018	Review of Confidential Items Register		90(2) and 90(3)(a)
11 <sup>th</sup> December 2018	Australia Day Awards		90(2) and 90(3)(a)
11 <sup>th</sup> December 2018	Executive Committee minutes	CEO performance review	90(2) and 90(3)(a)
15 <sup>th</sup> January 2019	Drought Communities Programme - Extension		90(2) and 90(3)(b)
15 <sup>th</sup> January 2019	Proposed Skate Park event		90(2) and 90(3)(b)
12 <sup>th</sup> March 2019	Conflict of Interest Matters	Correspondence from the Office of Public Integrity	90(2) and 90(3)(a)
9 <sup>th</sup> July 2019	10 Dalling St Demolition		90(2) and 90(3)(b)

### Application of Competition Principles

Barunga West Council is committed to the application of national competition principles, the process for which is set out in the “Statement on the Application of Competition Principles for Local Government” known as the Clause 7 Statement.

All councils in South Australia are required to identify activities that they are involved in which would be classified as “significant business activities” as defined in the National Competition Policy.

In broad terms “significant business activities” are defined as those activities where the costs are met predominately from the user, rather than from rates to other revenue sources, and Council is conducting the activity with a view of earning a return, rather than meeting a community need that would not otherwise be met. The National Competition Policy is not intended to apply to non-businesses, non-profit government activities.

Any identified “significant business activities” must then be categorised further into category one and two activities.

Category One-business activities are those with annual revenue in excess of \$2 million, or employing assets with a value in excess of \$20 million.

Barunga West Council has not identified any category one significant business activities.

Category Two business activities are those that either generate income or consume resources and which are significant to the Council concerned.

Barunga West Council has identified the operation of two Rural Transaction Centres as category two business activities.

The two Rural Transaction centres operate the following services:

#### **Port Broughton**

Human Services (including Medicare and Child Support)  
Services SA

#### **Bute**

Australia Post

### **National Competition Policy**

The National Competition Policy principles also extend to the application of Council Bylaws and the extent that their application may restrict competition.

Council has independently reviewed all its by-laws against this principle, resulting in amendments to ensure that the competition principles are adhered to.

### **Competitive Tendering & Service Reviews**

During the reporting period, Council has not received any complaints about the application of competitive neutrality.

# Human Resources

## Human Resource Management Initiatives

The following information is provided in accordance with Schedule 4, s.2(d) of the Local Government Act 1999, where the implementation of human resource management programs must be reported on in the Annual Report.

- The Leadership team remain a focused group who continue to be action orientated and strive to make Barunga West Council a workplace of choice.
- We continue to invest in our staff through training and development programs.
- Performance appraisals are continuing to be a successful tool across the Council. They allow the opportunity to establish a shared understanding between the staff member/manager of what is expected of the position, and how it contributes to the Council's goals and objectives.



## Employee Statistics



Statistics as of 30 June 2019

Status of Employment		
Permanent	22	79%
Part time	4	14%
Casual	2	7%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

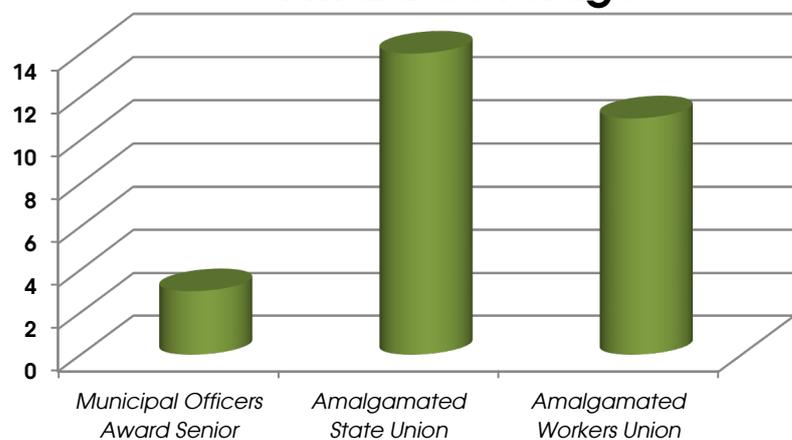
Breakdown of Services		
Corporate Services	16	57%
Infrastructure Services	12	43%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

Gender		
Female	11	39%
Male	17	61%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

Administration employees are employed under an Enterprise Agreement which covers a three year period from January 1 2017 to December 31 2019.

The Works employees are covered by an Enterprise Agreement which was negotiated with the Australian Workers Union. The Agreement is current from December 13 2017 to 31 March 2021.

### Award Coverage



## Staff Updates

In the year 2018/2019, we had 1 resignation from the 'Planning Officer' position.

We welcomed Kuol Baak to replace the previous Planning Officer.

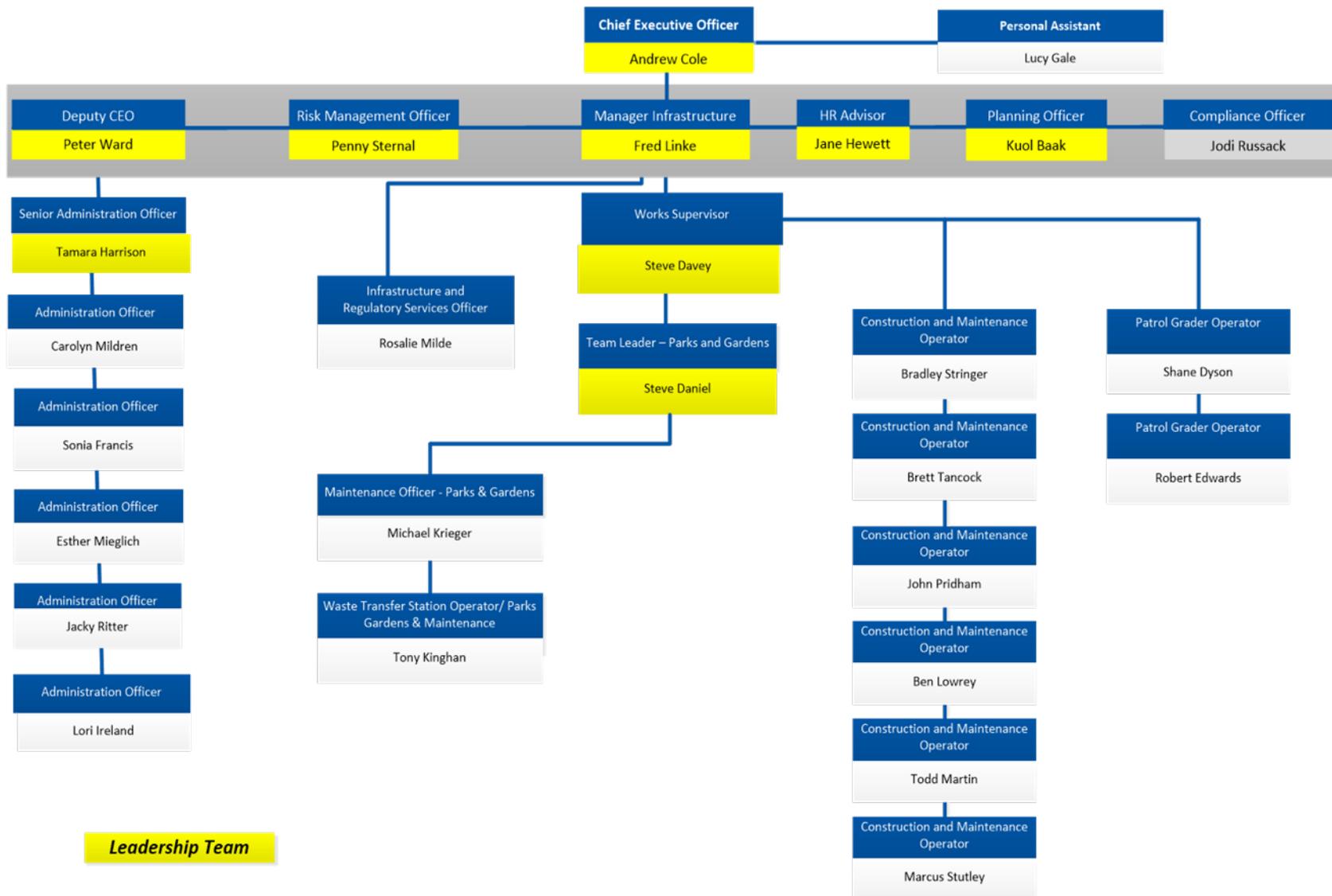
Kuol commenced with Council in February 2019, coming to us from the Port Pirie Regional Council, having been there for nearly 10 years.

## Register of Salaries

The following information is provided in accordance with Schedule 4, s.1(g) of the Local Government Act 1999. All staff salaries & allowances are recorded in the Register of Salaries & Allowances, which is available for inspection at Council's Principal Office at 11 Bay Street, Port Broughton.

Position Title	Classification	Allowances
<b>Chief Executive Officer Andrew Cole</b>	Individual Contract	<ul style="list-style-type: none"> <li>- Restricted private use of Council maintained vehicle pursuant to Council Policy;</li> <li>- Annual performance review;</li> <li>- Subsidised rental accommodation;</li> <li>- Membership fees to maintain membership subscriptions to approved professional associations;</li> <li>- Provision of an Ipad and mobile phone.</li> </ul>
<b>Deputy Chief Executive Officer Peter Ward</b>	Municipal Officers Award Level 3/3	<ul style="list-style-type: none"> <li>- Restricted private use of Council maintained vehicle pursuant to Council Policy;</li> <li>- Provision of an Ipad and mobile phone</li> </ul>
<b>Manager – Infrastructure Services Fred Linke</b>	Municipal Officers Award Level 2/3	<ul style="list-style-type: none"> <li>- Restricted private use of Council maintained vehicle pursuant to Council Policy;</li> <li>- Payment of phone rental, call charges and internet charges at residential address, in accordance with Council policy;</li> <li>- Provision of an Ipad and mobile phone</li> </ul>

## Organisational Chart



## Full Staff Listing



### Administration

Chief Executive Office.....	Andrew Cole
Deputy CEO.....	Peter Ward
Personal Assistant.....	Lucy Gale
Risk Management Office.....	Penny Sternal
HR Advisor.....	Jane Hewett
Compliance Officer.....	Jodi Russack
Food Inspector.....	Jan Truter
Infrastructure & Regulatory Services Officer.....	Rosalie Milde
Senior Administration Officer.....	Tamara Harrison
Administration Officer .....	Carolyn Mildren
Administration Officer.....	Jacky Ritter
Administration Officer.....	Lori Ireland
Administration Officer .....	Sonia Francis
Administration Officer.....	Esther Mieglich

### Development and Environmental Services

Planning Officer.....	.....Kuol Baak
Building Officer.....	Contracted to DC Copper Coast Staff
Environmental Health Officer.....	Contracted to DC Copper Coast Staff

### Works – Construction

Manager Infrastructure Service.....	Robert Linke
Works Supervisor.....	Steven Davey
Construction and Maintenance Operator.....	Ben Lowrey
Construction and Maintenance Operator.....	John Pridham
Construction and Maintenance Operator.....	Bradley Stringer
Construction and Maintenance Operator.....	Brett Tancock
Construction and Maintenance Operator.....	Todd Martin

### Works – Patrol Grading

Patrol Grader Operator.....	Marcus Stutley
Patrol Grader Operator .....	Robert Edwards
Patrol Grader Operator.....	Shane Dyson

### Works - Maintenance

Team Leader – Parks and Gardens.....	Steven Daniel
Maintenance Officer – Parks and Gardens.....	Michael Krieger
WTS Operator - Maintenance Officer – Parks and Gardens.....	Anthony Kinghan

## Jane Hewett

### Human Resources Advisor

# Risk Management

## Risk Management

Following a 2017 operational audit by the Local Government Risk Services of Council's work health safety, enterprise and operational risk, a more strategic Risk Management Plan has been developed to guide the organisation toward better risk management application.

The Enterprise Risk, Work Health Safety and Return to Work Plan 2018 – 2020, provides guidance and accountability for three primary programs:

- Governance and Legislative compliance
- Hazard Management; &
- Contractor Management

Program champions have documented objectives, accompanied with key performance criteria and close out dates.

This higher level of risk management creates greater accountability, monitoring and review, which develops better risk management practices across all organisation levels.



## Work Health and Safety

The past twelve months have followed the same footprints of previous years with a best practice zero injuries.

Guidance and direction throughout the organisation has improved acceptance and compliance from the workforce overall toward meeting best practice standards.

The introduction of the Skytrust platform, funded by LGRS, has seen improved levels of hazard and injury reporting, inspection recording and risk assessment. Further training and wider implementation of Skytrust will enable compliance which is acceptable to both the regulator and insurers.

## Work Health and Safety Statistics

<b>1 WHS legislative requirements</b>		
Number of notifiable occurrences pursuant to WHS Act Part 3 Incident Notification Section 35		0
Number of notifiable injuries pursuant to WHS Act Part 3 Incident Notification Section 36		0
Number of notices served pursuant to WHS Act, Part 10 Division 1. Section 191		0
<b>2 Injury Management legislative requirements</b>		
Total number of employees who participated in the rehabilitation program		0
Total number of employees rehabilitated and reassigned to alternative duties		0
Total number of employees rehabilitated back to their original work		0
Number of open claims as at 30 <sup>th</sup> June		0
Rebate loss ratio		NA
<b>3 Number of claims</b>		
Number of new workers compensation claims in the financial year		0
Number of fatalities, Medical Treatment Only,		0
Lost time injuries		0
Total number of whole working days lost		0

Penny Sternal

***Risk Management Officer***

# Development, Planning & Environment

## Introduction

Development Services covers a wide range of services within Barunga West Council (the Council). These services include Planning, Building, Environmental Health (including Mosquito control, Wastewater Control System Applications, and Food Inspections), Compliance and Property.

Council continues its Shared Services Agreement with the Copper Coast Council in relation to services for Building and Environmental & Health Services. While the casual Compliance Officer provides expertise and knowledge for matters relating to Compliance within Council ranging from Development, Dog and Cat Management, Litter, Noise and Nuisance and Expiation Notices management.

Up to 198 Customer Requests were received and managed by Development Services staff during the year. These Customer Requests were in addition to telephone and counter enquiries, development application assessment and general administration.

## Planning Reforms

Work continues towards the implementation of the new South Australia's *Planning, Development and Infrastructure Act 2016* (PDI Act). The pivotal Planning Reform Rule Book, **Planning & Design Code (the Code)**, is on public notification from 1 October 2019 until 29 November 2019. This public notification includes a visit to the Council by the Department for Planning, Transport and Infrastructure (DPTI) executive on Tuesday 15 October 2019 to consult with the Council staff as well as the general Barunga West Council community from 5:30pm – 7:30pm in the Community Hall.

Staff continue to attend trainings to assist in the processes of transition from the *Development Act 1993* to PDI Act. Systems still being developed by the State Government in consultation with Councils include ePlanning and online Code mapping, which helps identify relevant overlays, subzones, zones, general policies as well as Technical & Numerical Variations (TNVs) for every parcel.

In March 2019, DPTI released an ePlanning Guide called **Key Online Tools To Be Used In SA's New ePlanning System: An Introductory Guide for Councils**. To operate on ePlanning, the Council would need a computer with internal connection; fast internet (8 mb/s); an A4 Printer; an A3 Scanner; dual 17 Inch Monitors; and Onscreen Assessment Program such as Trapeze or Bluebeam. The Council has conducted research into both Trapeze and Bluebeam and found the cost to be about the same but will deploy Bluebeam considering the Council's shared services arrangements.

## Planning & Building Functions

### Planning Functions

Planning staff assisted stakeholders with various queries relating to the Planning Assessment process under the Council's Development Plan. Development Application numbers for the 2018/2019 year were generally Category 1 applications which were assessed under delegated authority by the Planning and Building Officers.

A total of 114 applications were received, 2 of these being Land Divisions. Further analysis shows there were 36 outbuildings such as garages, sheds, carports; 22 new dwellings; 3 swimming pool applications and 12 demolitions. Other types of approvals received range from retaining walls, solar panels and a telecommunication tower.

There were 6 Category 2 or 3 Public Notification applications received.

Several Fire Wall applications received from shack owners of Fisherman Bay were assessed to ensure Building Fire Safety compliance. Wastewater matters also received enquiry relating to septic tanks and soakage areas requirements.

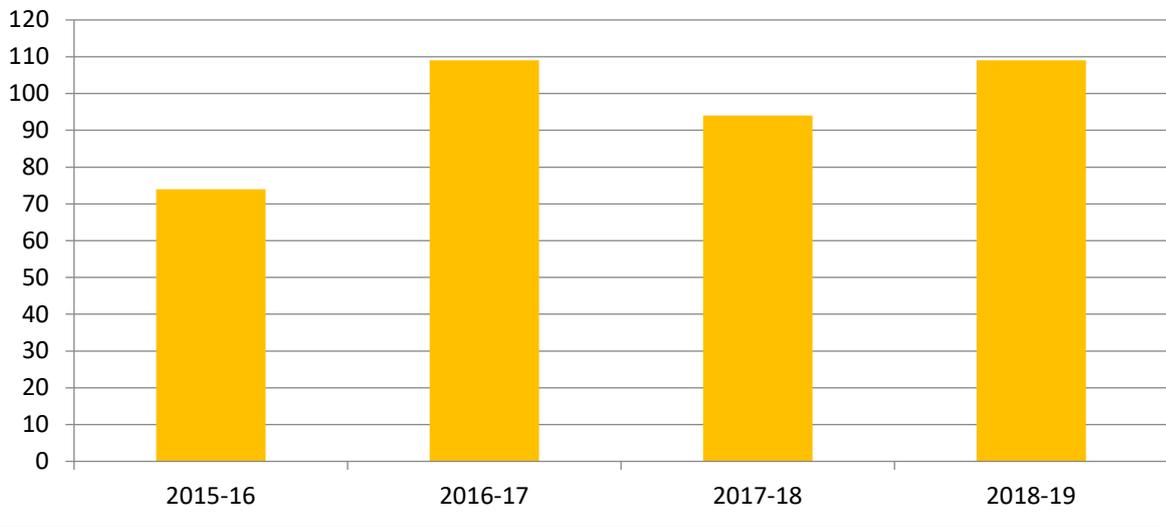
### Fisherman Bay Residential Built Form Development Plan Amendment

The Land Division Application for Fisherman Bay was amended on 3 July 2018, by the Environment Resources and Development Court (ERD No 280 of 2017), who issued a consent order varying and/or deleting a number of conditions attached to the development approval previously granted by the State Commission Assessment Panel on 26 October 2017 – although Fisherman Bay Management recently sought further changes to these conditions of approval. With this, the Council along with Fisherman Bay Management continue to work with the State Commission Assessment Panel (SCAP) towards Certificate of Titles clearances under s 51, *Development Act 1993* - with the trigger being the agreed civil design pre-construction drawings.

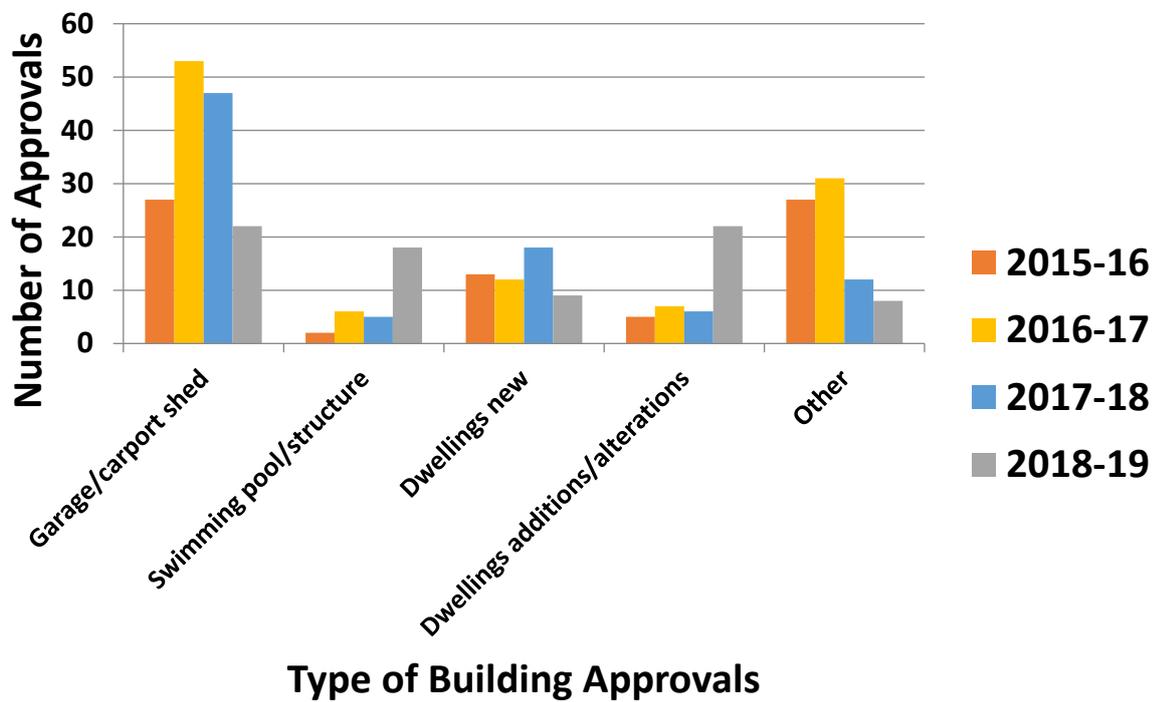
It is understood that Fisherman Bay Management have given Wallbridge Gilbert Aztec (WGA) a go ahead to finalise civil design pre-construction drawings for approval.

To check WGA's civil design pre-construction drawings, the Council continues to utilise its Planning Functions staff in addition to the services of GHD Group Pty Ltd as well as the services of Planning Consultant, Mr David Altmann, from a consulting firm Development Answers. Aside from Fisherman Bay, Mr Altmann continues to provide his expertise and advice in the processing of Development Plan Amendments, complex development projects, among other consultation services.

## Total Number of Development Applications Lodged



## Building Approvals



## Building Functions

The aim of Building Rules Compliance is to meet Councils statutory responsibilities for assessment, compliance, building fire safety and building inspections. Shared Services continue with Copper Coast Council.

Council's Building Officer continues to utilise the services of Mr Peter Harmer, of CLG Harmer, Building Surveyor, when required.

Building Inspections are conducted where possible. The mandated level of inspections for building rules consents continues to be a challenge for Council with no staff permanently on site every business day.

The Building Fire Safety Committee has continued to hold six monthly meetings and conduct regular inspections on buildings within the district to ensure an acceptable standard in fire safety (other than domestic buildings) is maintained. Staff continue to follow up any outstanding matters and assist stakeholders with enquiries and/or assistance.

## Council Assessment Panel (CAP) Members

Barunga West Council's Council Assessment Panel (CAP) consists of 1 Elected Member and 4 Independent Members including a Presiding Member. The Panel met once in the 2018/2019 Financial Year.

The current CAP members are:

- Presiding Member                      Mr John Brak
- Independent Member                  Mr Steve Horsell
- Independent Member                  Mr Dean Rodda
- Independent Member                  Mr Mark Weedon
- Elected Member                        Cr Rob Locke

Members of the Council Assessment Panel prior to the November 2018 Council Elections were:

- Presiding Member                      Mr John Brak
- Independent Member                  Mr Steve Horsell
- Independent Member                  Mr Dean Rodda
- Independent Member                  Mr Mark Weedon
- Elected Member                        Cr James Bettess

## Environmental Health Functions

Environmental Health Functions within the Council continue to be undertaken via Shared Services Agreement with the Copper Coast Council.

Up to 23 Wastewater Control System application as well as several applications to connect to the Council's CWMS were received by the Council.

Food Premises Inspections are conducted by the Council's Contractor in accordance with statutory and reporting requirements.

Statutory reports under the South Australia's *Public Health Act 2011* are submitted within required timeframes through reporting systems and positive communication between staff of both Councils.

Council has continued its Public Health Regulations responsibilities in these programs:

- Mosquito control using baiting program;
- Communicable disease management;
- Food Premises Inspections;
- Waste disposal systems management; and
- Community Wastewater Disposal system.

The Council participates in the SA Health – Mosquito Surveillance and Arbovirus Prevention Subsidy Programme. Funding through SA Health continues which assists this program to continue. Education tools are utilised within the community to raise levels of awareness in mosquitos management in Fisherman Bay and Port Broughton.

The Council remains committed to supporting the school based immunisation programme and appreciates the dedicated support of the local Medical Practitioners at the Port Broughton Medical Clinic. Their continued commitment to this programme ensures this service can continue within our community.

## Compliance Functions

### Compliance Statistics

The Compliance role at the Council falls within Development Services and it covers many state and local government legislations. Over the past 12 months, there has been 66 non-compliance issues that have been investigated. These investigations do not include all other minor complaints handled in person or via email or phone.

#### 1 July 2018-30 June 2019 Compliance Statistics

Act/Regulation	Total compliance
Local Nuisance & litter control	13
EPA Water Quality Policy	0
EPA Air Quality Policy	0
Development Act - Section 84 issued	1
Development Act – Illegal change of use	1
Development Act – Illegal Development	6
Development Act – Breach of DA	2
Development Act – Statement of Compliance	24
Local Government – By-laws	5
Dog & Cat Management Act	14
<b>TOTAL</b>	<b>66</b>

## Property Functions

The Council staff continue to handle land and property matters relating to community land, leases, licenses, permits owned or managed by the Council. Examples of these functions include the ongoing negotiations with Alford land owner who wants to amalgamate roads into his land as well as the continuing negotiations with the Crown Land staff to have a portion of Section 615 in the Hundred of Tickera, Allotment 300, dedicated for Community purposes and placed under the Council's care, control and management in accordance with the *Crown Land Management Act 2009*. The Council staff have liaised and updated Elected Members and associated stakeholders regarding regulatory steps in these activities.

*Kuol Baak*  
**Planning Officer**

*Rosalie Milde*  
**Infrastructure &  
Regulatory Services Officer**

# Infrastructure

## Overview

The aim of the Infrastructure Services Department is to provide the highest level of service for the local community and visitors to our region.

We have 12 dedicated staff who are responsible to undertake a wide range of duties. These vary from our road construction and maintenance, the managing of our parks and gardens within our townships and programmed mosquito control. It also includes maintenance of town facilities like our halls and playgrounds, being responsible for the management of our animals right through to installing the temporary road closure signage which allows for events like the Port Broughton Christmas Pageant and the Anzac day ceremonies to take place. New welcome signs were installed at our main entry points to welcome visitors to the Barunga West Council district. Our boat ramp day permit machines were also upgraded which now gives council remote monitoring with alarms for faults and tampering. This also allows users the convenience of cash or card for payment.



## Road Maintenance & Construction

Capital Works – Our 2018-19 re-sheeting programme totalled just over 20km of road network upgraded through Council’s Capital Infrastructure Projects.

295m of Broughton Tce at Tickera was upgraded with Kerb / water table and a 2 coat bitumen seal applied

Type	Road	Amount	
Formed - Non Built Up	Block F road segment 5	\$7,507	
	Five Mile road segment 5	\$34,177	
	Strathneath road segment 5	\$28,176	
	Strathneath road segment 10	\$28,176	
	Towerview road segment 5	\$14,295	
	Towerview road segment 10	\$7,942	
	Towerview road segment 15	\$20,649	
	Towerview road segment 20	\$41,870	
	Sandpit road segment 5	\$11,832	
	Sandpit road segment 10	\$25,444	
	Sandpit road segment 15	\$55,646	
	Sandpit road segment 20	\$35,622	
	Gulfview road segment 5	\$14,251	
	Gulfview road segment 10	\$24,320	
	Church road segment 30	\$31,496	
	Church road segment 35	\$46,362	
	Thomas Plains-Kadina road segment 5	\$44,734	
	Thomas Plains-Kadina road segment 10	\$22,367	
	Bitumen Seal	Broughton terrace segment 5	\$39,265
		Broughton terrace segment 10	\$34,064
Footpath	Bay street, Port Broughton	\$46,648	
	West terrace, Port Broughton	\$31,374	
	Dalling street, Port Broughton	\$61,493	
	Third street Bute	\$31,099	
<b>Total Road Infrastructure</b>		<b>\$738,809</b>	

Maintenance Grading continues over a 6 day period each week, with each operator working three twelve hour days. The grader works on an anticlockwise rotation of our district.

## Asset Management

Asset management is a continually evolving process which provides a better strategic approach to our budget planning, and allows for the timely management of our assets.

Over the last year we have reassessed our unsealed road network, the data collected was used to update our asset management plan and utilised in developing our long term financial planning which includes the forward planning of our capital works programme.

Council's Road Assessment Methodology was also reviewed with the new inclusion of category 6 roads, this meant all category 5 roads were reassessed.

Category 5 roads are now given a grade when the time is appropriate and category 6 roads have remained as an unmaintained track.



Mail road upgrades

## Animal Management

Council recorded 545 registered dogs in the 2018-19 financial year, and handled the following number of issues:-

Issue	Number
Barking Complaints	8
Wandering Dogs	11
Dogs returned to Owners	3
Dog Impounded	3
Dog Impounded then returned to Owner	2
Dog harasses person	1
Dog attacks person (police issue)	0
Dog harasses animal	0
Dog attacks animal	1

DACO (Dogs and Cats Online) registration and reporting site has continued to be a useful tool for Council to better manage its reporting requirements and for managing the issue of unregistered dogs within our community.

## **Waste Management Services**

Council continues its Kerbside Waste collection Service with three recycle bins available and one weekly general waste bin.

Council has two Waste Transfer Stations located at Port Broughton and Bute. These provide a valuable service to residents within our area.

Last years review of our Waste Transfer Stations has been a success, in particular the Port Broughton Waste Transfer Station. Council now has greater control of incoming materials onto its site and better manages the transfer of materials off site as required by our current EPA license. Council will continue the review process.

Council also held a “Kerbside Giveaway” for its second year which is run in conjunction with National Recycling week each November.

## **Fire Prevention**

Annual upskilling of Council’s two Fire Prevention Officers, now required annually, ensures Council remains compliant with required qualifications and up to date changes in legislation and requirements.

Our Barunga West Council Fire Prevention Committee meets regularly to discuss Fire Prevention issues including recommendations for the commencement of the fire danger season and any local issues within our region.

Council conducts property inspections prior to the start of each Fire Danger Season with the aim to reduce fire hazards within its community. Non-compliant properties are issued with a Section105 Hazard Reduction Notice containing instructions on how to reduce the hazard.

This last year also saw the online permit burning notification tool used for the first time in our district with permit holders being able to give notification of the intention to burn using our website. This has made for a smoother and more timely process for all users.

*Steve Davey*

## **Infrastructure Services**

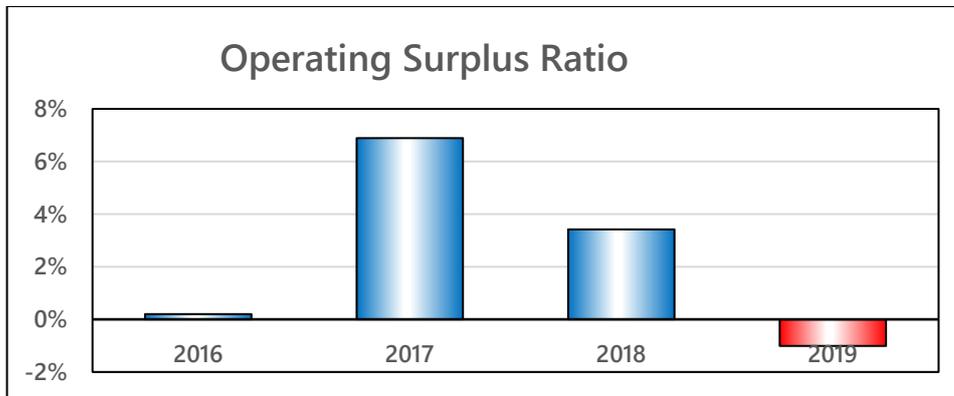
Council recorded a **Net Surplus** of **\$341K** in 2018/19, following a **Net Surplus** of **\$361K** in 2017/18.

<b>Income</b>	<b>2018-19</b>	<b>2017-18</b>
Rates Revenues	4,731	4,497
Statutory Charges	132	84
User Charges	478	471
Grants, Subsidies and Contributions	1,250	912
Investment Income	67	49
Reimbursements	52	35
Other Income	129	114
<b>Total Income</b>	<b>6,839</b>	<b>6,162</b>
<b>Expenses</b>		
Employee Costs	2,164	2,014
Materials, Contracts & Other Expenses	3,305	2,448
Depreciation	1,384	1,428
Finance Costs	55	61
<b>Total Expenses</b>	<b>6,908</b>	<b>5,951</b>
<b>Operating Surplus / (Deficit)</b>	<b>-69</b>	<b>211</b>
Asset Disposal	-180	-60
Amounts Received Specifically for New Assets	590	210
<b>Net Surplus / (Deficit)</b>	<b>341</b>	<b>361</b>
Changes in Revaluation Surplus - I,PP&E	-571	0
<b>Total Comprehensive Income</b>	<b>-230</b>	<b>361</b>

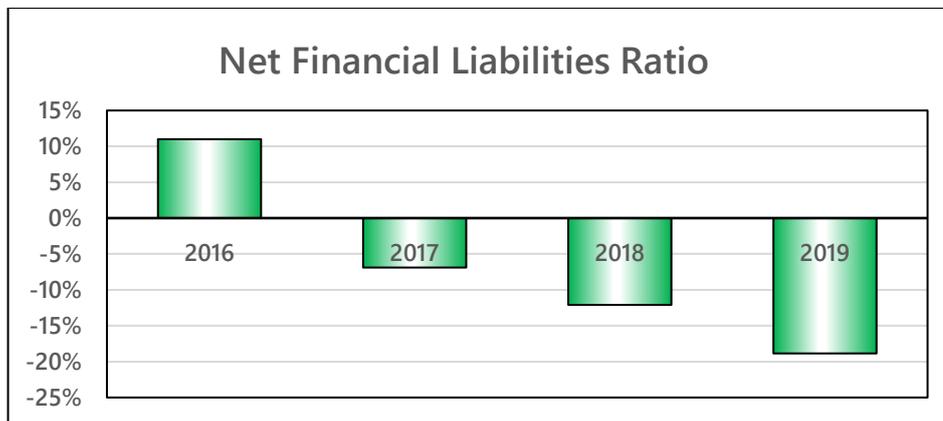
The principal and material variations between the two years were as follows:

1. Council received the 2019/20 and 2020/21 allocations of Special Local Roads grants, an additional \$195K in grant income.
2. Council received \$990K in Drought Community Grant programme, which was split \$400K operating income, and \$590K as 'Amounts Received Specifically for New Assets'. The entire amount was expended in 2018-19.
3. Council budgeted for programmed clean-up works at the Port Broughton and Bute Waste Transfer Disposal sites. Crushing and removal of concrete to Port Pirie WTS added considerable cost to the clean-up.

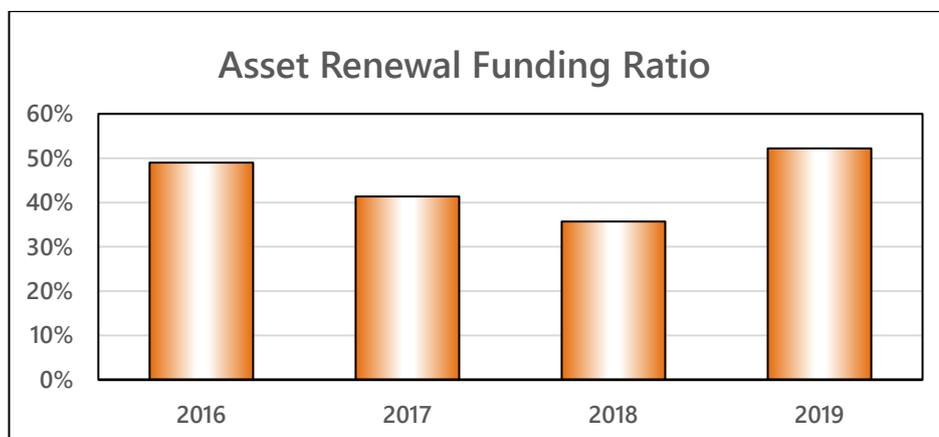
## Financial Ratios



This ratio expresses the operating surplus as a percentage of total operating revenue. Council has a target operating surplus/deficit in the range -5.00%/+5.00%



Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue. A negative % reveals that Council has more financial assets (ie cash at bank, debtors) than financial liabilities (loans, creditors).



This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified as warranted by Council's annual depreciation expense. This is short of the long term target of 90-100%, and will be reviewed in 2019/20 following revaluations of buildings, stormwater and CWMS asset classes.

## **Performance in relation to Long Term Financial Plan**

In relation to the Long Term Financial Plan (LTFP), Council recorded a Net Surplus in 2018/19, rather than a gross operating deficit forecast in the previous LTFP.

The \$990K in grant funding for Drought Relief was unbudgeted and accordingly not a part of the LTFP. Council welcomed the inclusion of the funding, enabling it to fund approximately 30 projects to the benefit of local contractors.

Council was pre-paid its allocation of Special Local Roads funding for the years 2019/20 and 2020/21.

Council's operating position long term is trending toward sustainable annual surpluses or break-even.

## Significant Budget Variations 2018/19

	2018-19 Actual	2018-19 Budget	Variance \$
<b>Income</b>			
Rates Revenues	4,731	4,708	23
Statutory Charges	132	63	69
User Charges	478	454	24
Grants	1,250	615	635
Investment Income	67	30	37
Reimbursements	52	52	0
Other Income	129	56	73
<b>Total Income</b>	<b>6,839</b>	<b>5,978</b>	<b>861</b>
<b>Expenses</b>			
Employee Costs	2,164	2,085	79
Materials, Contracts, Other	3,305	2,499	806
Depreciation	1,384	1,489	(105)
Finance Costs	55	48	7
<b>Total Expenses</b>	<b>6,908</b>	<b>6,121</b>	<b>787</b>
<b>Operating Surplus / (Deficit)</b>	<b>(69)</b>	<b>(143)</b>	<b>74</b>
Asset Disposal	(180)	0	(180)
Amounts Received New Assets	590	0	590
<b>Net Surplus / (Deficit)</b>	<b>341</b>	<b>(143)</b>	<b>484</b>
Changes in Revaluation Surplus - I,PP&E	(571)	0	(571)
<b>Total Comprehensive Income</b>	<b>(230)</b>	<b>(143)</b>	<b>(87)</b>

Council had budgeted for a deficit of \$144K. The principal and material reasons for the variation in result were as follows:-

1. In November 2018 Council received notice that it was eligible for \$1.0M in Drought Community Grant programme. Council claimed \$990K which was split \$400K operating income, and \$590K as 'Amounts Received Specifically for New Assets'. The entire amount was expended in 2018-19.
2. Council received the 2019/20 and 2020/21 allocations of Special Local Roads grants, an additional \$195K in grant income.
3. There was a significant price escalation in crushing concrete and removing it off site from the Port Broughton and Bute Waste Transfer Disposal sites.
4. Pump out of Port Broughton septic tanks was brought forward to 2018/19 from 2019/20. Pump outs are planned to occur every 4 years from hereon.

## Long Term Financial Plan

Council's Long Term Financial Plan 2019-2029 was adopted at the October 2019 Council meeting.

## Asset Management Policy

Council has completed the process of revaluing all Council assets for the purpose of establishing updated Asset Management Plans (AMP) to guide future capital expenditure decisions. AMPs were established for Council's Road Infrastructure, CWMS and Stormwater assets. In addition, the Plant Replacement program was reviewed and formalized.

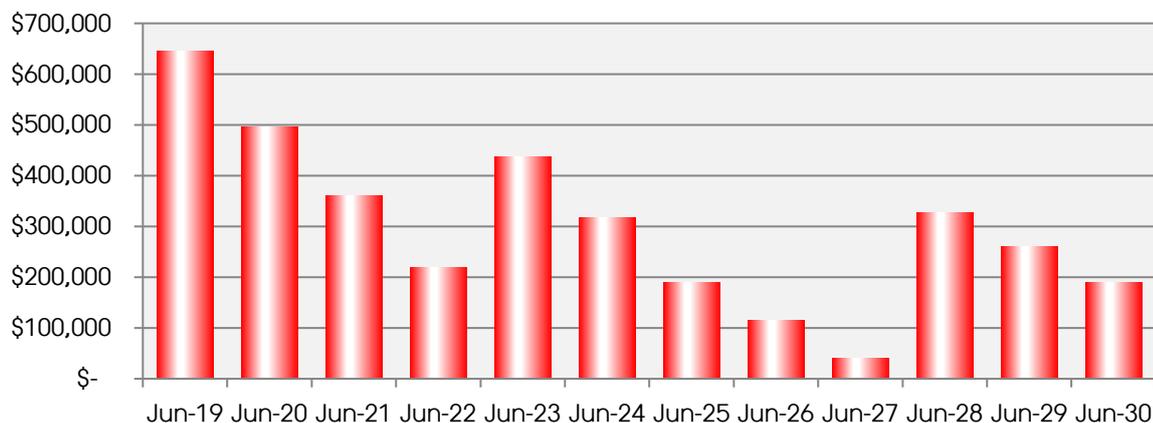
Council will update the Building Asset Management Plan in 2019/20. Tonkin engineers will revalue the CWMS and Stormwater assets, and develop AMPs for those 2 asset classes. Road Asset Infrastructure movements are reviewed annually by Tonkins Engineers.

## Loans

Council has five loans current as at June 30 2019. The total principal outstanding is \$645K (2018 = \$918). Council repaid \$273K of loan principal in 2018/19.

Council has 1 outstanding Community Loan (\$10K).

## Loan Principal Outstanding



Council has an existing Cash Advance Debenture for \$150,000 (CAD), and took out another CAD for \$350,000 for a period of 15 years. The CAD allows Council to drawdown funds on a short term basis. Neither of these facilities has been used.

## Rural Transaction Centres

The ANZ has discontinued its Council agency at both Port Broughton & Bute.

Council maintains a limited Centrelink and Service SA agency at Port Broughton, and an Australia Post facility in Bute.

## Audit Committee

Council is required to have an Audit Committee under the Local Government Act. The committee meets at least four times per year and its principal goal is to ensure the integrity of Council's financial and reporting system.

Council appointed Ms Patricia Flood as Independent Presiding Member of the Committee. The Committee met four times during this year, and has developed an Audit Committee Work Plan to ensure that all financial and governance requirements are met.

The Members of the Audit Committee – post election - are as follows:

- Ms Patricia Flood, Chairperson (Independent Member)
- Mayor Leonie Kerley
- Mr Martin White (Independent Member)
- Cr Margaret McDonald
- Cr Grant Rowlands

## Auditor

Galpins are contracted to provide audit services for the period 2016-2020. In accordance with s.128(9)(a) of the *Local Government Act 1999*, the annual audit fee for their audit services for the 2018/19 financial year was \$17,064, including GST. There were no other remuneration payments made.

There were no significant audit issues raised during the year.

## Community Groups

Council introduced a Community Grants scheme in 2013/14. Council continued to fund various Progress Associations, but decreased the direct contribution to PAs by the amount of the Community Grants.

The following allocations were made under the 2018/19 Community Grants scheme:

Organisation	Project Title	Allocated amount
Tickera Community Rec Assoc	Historical Information Signs	\$4,500
Mundoora Community Prog	Shelter Shed for Museum Garden	\$2,000
PB Rainbow Quilters	Replacement of Windows	\$3,000
Mundoora Tennis Club	Tennis Equipment	\$1,000
PB Uniting Church	Paving footpath	\$2,500
PB Progress Association	Outdoor Cinema Movie nights	\$1,000
Bute 2000 Onwards Progress	Table & Bench seating	\$2,500
PB Progress Association	New Chairs for Town Hall	\$2,500
PB Historical Society	Heritage Centre window repairs	\$2,400
PB Golf Club	New Air Con & Blinds	\$2,000
Mundoora Bowling Club	Water Tanks	\$1,600
Bute Lions Club	Bute Cemetery Signs	\$2,000
Kulpara Progress Asoc	New Air Con at Kulpara Soldiers	\$3,000
Tickera Community Rec Assoc	Historical Information Signs	\$4,500
Mundoora Community Prog	Shelter Shed for Museum Garden	\$2,000
PB Rainbow Quilters	Replacement of Windows	\$3,000
<b>TOTAL ALLOCATED</b>		<b>\$30,000</b>

## Drought Community Grant Funding

Council received \$1.0M in grant funding under the Drought Community Grant Funding scheme. The program sought to support local community infrastructure and other drought relief projects for communities impacted by drought, with the intention for Council to instigate projects that:

- provided employment for people whose work opportunities have been impacted by drought;
- stimulated local community spending;
- used local resources, businesses and suppliers;
- provided a long-lasting benefit to communities and the agricultural industries on which they depend.

The major projects included:

- Electrical upgrade Port Broughton Caravan Park;
- Port Broughton Sea Wall, walking path and stair access;
- Park Furniture throughout the district;
- Footpath upgrades at West Tce/Dalling St;
- Upgrade air conditioning at Port Broughton Hall and Bowling Club;
- Fencing upgrades throughout the district;
- Solar panel installation at Tickera and Port Broughton



Pt Broughton Community Garden project



"RE festival"

Peter Ward  
**Deputy CEO**

## Citizen of the Year 2018

### Port Broughton Citizen of the Year Mr Ben Ervin

Ben is the current president of the Pt Broughton Progress Association, this role has included organising the annual Christmas pageant and festival, the ever popular Seaside Markets during the year as well as being on the forefront looking for ways to fundraise and find grants to help fund the activities of the Progress Association. Ben is also a volunteer with the Pt Broughton CFS and SA Ambulance Service, and along with wife Jess a regular volunteer at the local Kindergarten. In his spare time Ben is also a shift worker at Nyrstar in Port Pirie and Dad to Max (3) and Indi (4). Port Broughton is very lucky to have such an enthusiastic young member of the community willing to give so much of his time

### Bute Citizen of the Year Mr John Green

John has been an active member of the Bute community for more than 45 years, involved with sport, agriculture, education and the Bute Lions Club. He is a life member of the Bute Football Club where John was the secretary for more than 20 years. John has also been a long-standing member of the Bute Agricultural Bureau, and a committee member of the SA Durum Growers Association. During his time with the Bute Lions Club John has been involved with many projects around the town in particular the "beautifying Bute" project and the new Bute cemetery signage. John is of great value to the community of Bute and the wider district and he shows no sign of slowing down yet!

## Community Event of the Year 2018

### Bute Community Event of the Year "2018 Bute Junior Tennis Tournament"

Bute Tennis Club hosted the 2018 Northern Yorke Peninsula Junior Tennis Tournament at the Bute Sporting Club on Feb 11<sup>th</sup> 2018. The Tournament involved 48 junior players from across the state. The event was almost twice the size of the previous year and showcased the talent of the Yorke Peninsula. Many spectators enjoyed the event and the hospitality of the club and the wider Bute community.

### Port Broughton Community Event of the Year "2017 Pt Broughton Christmas Festival "

The Port Broughton Progress Association's 2017 Christmas Festival had a fantastic turnout and was a wonderful event for the local community bringing many people to town. It included the Christmas Tree Festival, street party & markets, Santa's Cave, a movie night and of course the Christmas pageant. The Progress Association proudly organises this great event every year along with others throughout the year which bring the community together and encourage people from outside the district to come and see Pt Broughton.

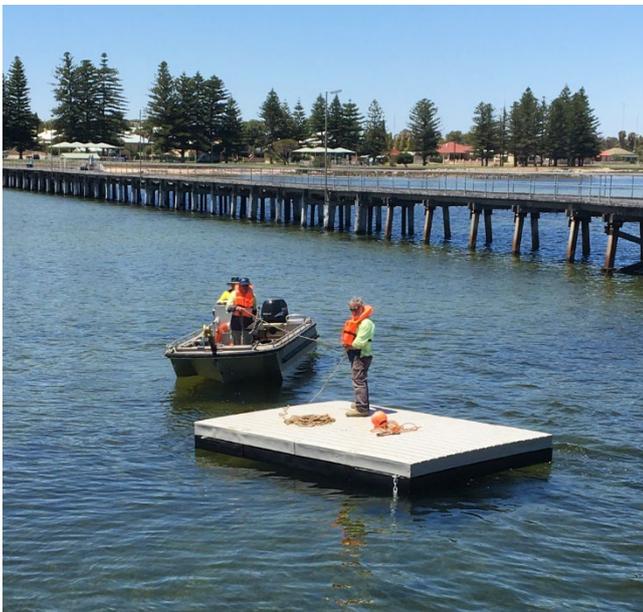




NRM Grant, foreshore sand replenishment project site Pt Broughton beach south



Deputy Mayor Button & 2018 Citizen of the Year Ben Ervin



Pontoon installation Port Broughton



Winner of Event of the year 2018, Pt Broughton Progress Association



World Beach Cleanup Day, Port Broughton Kindergarten



Port Broughton Kindy recycling program, with Principal Joelene Anderson and CEO Andrew Cole



Bute Tennis Club won Bute event of the Year and Bute Citizen of the Year was Mr John Green

# *Lifestyle for the future*

## **Appendix A**

*Annual Financial Statements*



***Barunga West Council  
Annual Financial Statements 2018/19***

# Barunga West Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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*Lifestyle for the Future*



# Barunga West Council

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

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## Barunga West Council

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

### Certification of Financial Statements

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

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Andrew John Cole  
**CHIEF EXECUTIVE OFFICER**



Leonie Kerley  
**MAYOR**

Date: 1<sup>st</sup> November 2019

## Barunga West Council

### Statement of Comprehensive Income for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Income</b>			
Rates Revenues	2a	4,731	4,497
Statutory Charges	2b	132	84
User Charges	2c	478	471
Grants, Subsidies and Contributions	2g	1,250	912
Investment Income	2d	67	49
Reimbursements	2e	52	35
Other Income	2f	129	114
<b>Total Income</b>		<b>6,839</b>	<b>6,162</b>
<b>Expenses</b>			
Employee Costs	3a	2,164	2,014
Materials, Contracts & Other Expenses	3b	3,305	2,448
Depreciation, Amortisation & Impairment	3c	1,384	1,428
Finance Costs	3d	55	61
<b>Total Expenses</b>		<b>6,908</b>	<b>5,951</b>
<b>Operating Surplus / (Deficit)</b>		<b>(69)</b>	<b>211</b>
Asset Disposal & Fair Value Adjustments	4	(180)	(60)
Amounts Received Specifically for New or Upgraded Assets	2g	590	210
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>341</b>	<b>361</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(571)	-
<b>Total Other Comprehensive Income</b>		<b>(571)</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>(230)</b>	<b>361</b>

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

# Barunga West Council

## Statement of Financial Position as at 30 June 2019

\$ '000	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	2,454	2,168
Trade & Other Receivables	5b	821	293
Inventories	5c	158	175
<b>Total Current Assets</b>		<b>3,433</b>	<b>2,636</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	8	71
Infrastructure, Property, Plant & Equipment	7a	49,544	50,302
<b>Total Non-Current Assets</b>		<b>49,552</b>	<b>50,373</b>
<b>TOTAL ASSETS</b>		<b>52,985</b>	<b>53,009</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	692	271
Borrowings	8b	150	212
Provisions	8c	629	551
<b>Total Current Liabilities</b>		<b>1,471</b>	<b>1,034</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	495	706
Provisions	8c	27	47
<b>Total Non-Current Liabilities</b>		<b>522</b>	<b>753</b>
<b>TOTAL LIABILITIES</b>		<b>1,993</b>	<b>1,787</b>
<b>Net Assets</b>		<b>50,992</b>	<b>51,222</b>
<b>EQUITY</b>			
Accumulated Surplus		(301)	(406)
Asset Revaluation Reserves	9a	50,199	50,770
Other Reserves	9b	1,094	858
<b>Total Council Equity</b>		<b>50,992</b>	<b>51,222</b>

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

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2019</b>					
<b>Balance at the end of previous reporting period</b>		(406)	50,770	858	<b>51,222</b>
<b>a. Net Surplus / (Deficit) for Year</b>		341	-	-	<b>341</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(571)	-	<b>(571)</b>
<b>Total Comprehensive Income</b>		<b>341</b>	<b>(571)</b>	<b>-</b>	<b>(230)</b>
<b>c. Transfers between Reserves</b>		(236)	-	236	<b>-</b>
<b>Balance at the end of period</b>		<b>(301)</b>	<b>50,199</b>	<b>1,094</b>	<b>50,992</b>
<b>2018</b>					
<b>Balance at the end of previous reporting period</b>		(428)	50,770	519	<b>50,861</b>
<b>a. Net Surplus / (Deficit) for Year</b>		361	-	-	<b>361</b>
<b>Total Comprehensive Income</b>		<b>361</b>	<b>-</b>	<b>-</b>	<b>361</b>
<b>b. Transfers between Reserves</b>		(339)	-	339	<b>-</b>
<b>Balance at the end of period</b>		<b>(406)</b>	<b>50,770</b>	<b>858</b>	<b>51,222</b>

# Barunga West Council

## Statement of Cash Flows for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates Receipts		4,707	4,409
Statutory Charges		145	84
User Charges		526	518
Grants, Subsidies and Contributions (operating purpose)		768	912
Investment Receipts		67	49
Reimbursements		53	38
Other Receipts		452	362
<b>Payments</b>			
Payments to Employees		(2,114)	(1,966)
Payments for Materials, Contracts & Other Expenses		(3,266)	(2,774)
Finance Payments		(59)	(60)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>1,279</b>	<b>1,572</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets		590	210
Sale of Replaced Assets		29	9
Repayments of Loans by Community Groups		67	6
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets		(752)	(519)
Expenditure on New/Upgraded Assets		(654)	(1,000)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(720)</b>	<b>(1,294)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings		-	360
<b>Payments</b>			
Repayments of Borrowings		(273)	(321)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(273)</b>	<b>39</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>286</b>	<b>317</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>2,168</b>	<b>1,851</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>2,454</b>	<b>2,168</b>

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

Contents of the Notes accompanying the Financial Statements

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n/a - not applicable

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

### Note 1. Summary of Significant Accounting Policies

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

Barunga West Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 11 Bay St Port Broughton SA 5522. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

#### 3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$808,854	\$533,812	+ \$275,042
2017/18	\$552,726	\$259,374	+ \$292,352
2018/19	\$637,793	\$247,194	+ \$290,779

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

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.

#### 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. 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 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

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

Note 1. Summary of Significant Accounting Policies (continued)

is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Land Improvement	\$10,000
Buildings	\$10,000
Buildings – Other Structures	\$20,000
Infrastructure – Roads	\$10,000
Infrastructure – Footpaths	\$10,000
Infrastructure – Stormwater	\$10,000
Infrastructure – CWMS	\$10,000

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	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equip	4 to 25 years
Other Plant & Equipment	4 to 20 years

*Building & Other Structures*

Buildings – masonry	7 to 100 years
Buildings – other construction	7 to 100 years

Park Structures – masonry	7 to 100 years
Park Structures – other construction	7 to 100 years
Playground equipment	7 to 100 years
Benches, seats, etc	7 to 100 years

*Infrastructure*

Sealed Roads – Surface	22 to 30 years
Sealed Roads – Structure	20 to 150 years
Unsealed Roads	20 to 100 years
Paving & Footpaths, Kerb & Gutter	5 to 100 years
Drains	5 to 100 years
Culverts	5 to 100 years
Reticulation Pipes – PVC	10 to 70 years
Reticulation Pipes – other	10 to 70 years
Pumps & Telemetry	10 to 70 years

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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## 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.

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

### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. 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 Provisions for Reinstatement, Restoration and Rehabilitation

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

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

## 11 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period

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

Note 1. Summary of Significant Accounting Policies (continued)

during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

### 12 Construction Contracts

Council did not perform any third party construction work in 2018/19.

### 13 Equity Accounted Council Businesses

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

### 14 GST Implications

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

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

### 15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has

not resulted in any material changes to Council's accounting policies.

Barunga West Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

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

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$0 has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied.

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

**The 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.**

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

Note 1. Summary of Significant Accounting Policies (continued)

*The standards are not expected to have a material impact upon Council's future financial statements.*

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

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1058 Income of Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

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

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

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

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

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

**16 Comparative Figures**

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

**17 Disclaimer**

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

# Barunga West Council

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

### Note 2. Income

\$ '000	Notes	2019	2018
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		4,165	3,977
Less: Mandatory Rebates		(34)	(38)
Less: Discretionary Rebates, Remissions & Write Offs		(58)	(51)
<b>Total General Rates</b>		<b>4,073</b>	<b>3,888</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		213	196
Community Wastewater Management Systems		423	393
<b>Total Other Rates</b>		<b>636</b>	<b>589</b>
<b>Other Charges</b>			
Penalties for Late Payment		22	20
<b>Total Other Charges</b>		<b>22</b>	<b>20</b>
<b>Total Rates Revenues</b>		<b>4,731</b>	<b>4,497</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		41	14
Town Planning Fees		57	45
Health & Septic Tank Inspection Fees		3	2
Animal Registration Fees & Fines		31	23
<b>Total Statutory Charges</b>		<b>132</b>	<b>84</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		25	29
Hall & Equipment Hire		33	37
Sundry		6	1
Caravan Parks		280	269
Post Office , RTC & Other		81	82
CWMS Sub-division Fees		1	4
Boat Ramp Fees & Permits		23	24
Sanitation & Garbage		29	25
<b>Total User Charges</b>		<b>478</b>	<b>471</b>

## Barunga West Council

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

#### Note 2. Income (continued)

\$ '000	Notes	2019	2018
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		16	17
- Banks & Other		36	27
- Loans to Community Groups		15	5
<b>Total Investment Income</b>		<b>67</b>	<b>49</b>
<b>(e). Reimbursements</b>			
Private Works		6	35
<b>Total Reimbursements</b>		<b>52</b>	<b>35</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		41	27
Rebates Received		82	75
Sundry		6	12
<b>Total Other Income</b>		<b>129</b>	<b>114</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		590	210
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>590</b>	<b>210</b>
Other Grants, Subsidies and Contributions		419	22
Untied - Financial Assistance Grant		830	356
Roads to Recovery		-	241
Library and Communications		1	1
Individually Significant Item - Additional Grants Commission Payment (refer below)		-	292
<b>Total Other Grants, Subsidies and Contributions</b>		<b>1,250</b>	<b>912</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>1,840</b>	<b>1,122</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		994	451
State Government		846	671
<b>Total</b>		<b>1,840</b>	<b>1,122</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		291	292

## Barunga West Council

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

#### Note 3. Expenses

\$ '000	Notes	2019	2018
<b>(a). Employee Costs</b>			
Salaries and Wages		1,686	1,591
Employee Leave Expense		254	248
Superannuation - Defined Contribution Plan Contributions	18	140	130
Superannuation - Defined Benefit Plan Contributions	18	36	35
Workers' Compensation Insurance		84	87
Other		81	57
Less: Capitalised and Distributed Costs		(117)	(134)
<b>Total Operating Employee Costs</b>		<b>2,164</b>	<b>2,014</b>
Total Number of Employees (full time equivalent at end of reporting period)		24	24
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		15	15
Elected Members' Expenses		107	89
Election Expenses		14	-
<b>Subtotal - Prescribed Expenses</b>		<b>136</b>	<b>104</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		1,388	904
Maintenance		143	115
Legal Expenses		56	63
Levies Paid to Government - NRM levy		211	196
Levies - Other		25	15
Parts, Accessories & Consumables		315	94
Professional Services		201	154
Sundry		271	258
Utilities		260	247
Insurance		163	153
Telecommunications		136	145
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>3,169</b>	<b>2,344</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>3,305</b>	<b>2,448</b>

## Barunga West Council

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

#### Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		240	242
Infrastructure			
- Sealed Roads		188	189
- Unsealed Roads		578	588
- Stormwater Drainage		34	34
- CWMS		109	108
- Footpaths, Kerb & Gutter		73	73
Plant & Equipment		145	171
Furniture & Fittings		17	23
<b>Subtotal</b>		<b>1,384</b>	<b>1,428</b>
<b>(ii) Impairment</b>			
Nil			
<b>Total Depreciation, Amortisation and Impairment</b>		<b>1,384</b>	<b>1,428</b>
<b>(d). Finance Costs</b>			
Interest on Loans		55	61
<b>Total Finance Costs</b>		<b>55</b>	<b>61</b>

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

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

###### (i) Assets Renewed or Directly Replaced

Proceeds from Disposal		29	9
Less: Carrying Amount of Assets Sold		(209)	(69)
<b>Gain (Loss) on Disposal</b>		<b>(180)</b>	<b>(60)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(180)</b>	<b>(60)</b>

## Barunga West Council

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

#### Note 5. Current Assets

\$ '000	Notes	2019	2018
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		63	40
Deposits at Call		2,391	2,128
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,454</b>	<b>2,168</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		245	221
Accrued Revenues		484	4
Debtors - General		37	22
GST Recoupment		48	25
Prepayments		5	15
Loans to Community Organisations		2	6
<b>Total Trade &amp; Other Receivables</b>		<b>821</b>	<b>293</b>
<b>(c). Inventories</b>			
Stores & Materials		158	175
<b>Total Inventories</b>		<b>158</b>	<b>175</b>

#### Note 6. Non-Current Assets

##### (a). Financial Assets

###### Receivables

Loans to Community Organisations		8	71
<b>Total Receivables</b>		<b>8</b>	<b>71</b>
<b>Total Financial Assets</b>		<b>8</b>	<b>71</b>



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

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

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\$ '000

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### Valuation of Assets

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

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

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

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

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

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

### Information on Valuations

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

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

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

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

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

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\$ '000

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**Valuation of Assets (continued)**

**Other Information**

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

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

**Highest and best use**

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**

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2017.
- Valuer: Office of the Valuer General

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.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

**Buildings & Other Structures**

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2019.
- Valuer: Australian Property Valuers

## Barunga West Council

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

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

\$ '000

##### Valuation of Assets (continued)

###### Infrastructure

Transportation assets were revalued as at July 1 2016 by Tonkins.

All acquisitions made after the respective dates of valuation are recorded at cost. All acquisitions made after the date of valuation are recorded at cost.

Stormwater drainage infrastructure was revalued as at July 1 2014 by Gayler Engineering. All acquisitions made after the date of valuation are recorded at cost.

Community wastewater management system infrastructure was revalued as at July 1 2014 by Gayler Engineering. All acquisitions made after the date of valuation are recorded at cost.

###### Roads, Kerb and Gutter, Footpaths

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 1 July 2016.
- Tonkins Consulting, Rod Ellis, FIEAust CPEng

###### Stormwater Drainage & CWMS

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 1 July 2014
- Valuer: Gayler Professional Services, Richard Gayler, BE Civil, MIE Aust, CP Eng

###### All other Assets

These assets are recognised on the cost basis

#### Note 8. Liabilities

\$ '000	Notes	2019		2018	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		651	-	256	-
Payments Received in Advance		32	-	2	-
Accrued Expenses - Finance Costs		9	-	13	-
<b>Total Trade and Other Payables</b>		<b>692</b>	<b>-</b>	<b>271</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		150	495	212	706
<b>Total Borrowings</b>		<b>150</b>	<b>495</b>	<b>212</b>	<b>706</b>

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

## Barunga West Council

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

#### Note 8. Liabilities (continued)

\$ '000	Notes	2019		2018	
		Current	Non Current	Current	Non Current
<b>(c). Provisions</b>					
Employee Entitlements (including oncosts)		503	27	425	47
Future Reinstatement / Restoration, etc		126	-	126	-
<b>Total Provisions</b>		<b>629</b>	<b>27</b>	<b>551</b>	<b>47</b>

#### Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
<b>(a). Asset Revaluation Reserve</b>					
Land - Community	8,123	-	-	-	8,123
Land - Other	3,912	-	-	-	3,912
Buildings & Other Structures Infrastructure	12,211	(571)	-	-	11,640
- Bridges, Footpaths, Kerb & Guttering	17,916	-	-	-	17,916
- Stormwater Drainage	1,978	-	-	-	1,978
- CWMS	6,630	-	-	-	6,630
<b>Total Asset Revaluation Reserve</b>	<b>50,770</b>	<b>(571)</b>	<b>-</b>	<b>-</b>	<b>50,199</b>
<b>Comparatives</b>	<b>50,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,770</b>

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
<b>(b). Other Reserves</b>					
CWMS	819	236	-	-	1,055
Open Space	39	-	-	-	39
<b>Total Other Reserves</b>	<b>858</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>1,094</b>
<b>Comparatives</b>	<b>519</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>858</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

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

##### CWMS Reserve

This reserve records the net difference between CWMS Rate income and the cash costs of maintaining the CWMS asset and operating systems. Depreciation expense is not factored into this reserve.

##### Open Space Reserve

Developer Open Space contributions for Council to expend in any manner it deems fit to improve Council's recreational facilities.

## Barunga West Council

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

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>			
<b>Cash &amp; Financial Assets</b>			
<b>Unexpended amounts received from Federal Government</b>			
Open Space Contributions		39	39
CWMS Reserve		1,055	819
<b>Total Cash &amp; Financial Assets</b>		<b>1,094</b>	<b>858</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>1,094</b>	<b>858</b>

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

##### (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	2,454	2,168
<b>Balances per Statement of Cash Flows</b>		<b>2,454</b>	<b>2,168</b>

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

<b>Net Surplus/(Deficit)</b>		<b>341</b>	<b>361</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,384	1,428
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(590)	(210)
Net (Gain) Loss on Disposals		180	60
		<b>1,315</b>	<b>1,639</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(532)	(97)
Net (Increase)/Decrease in Inventories		17	(29)
Net Increase/(Decrease) in Trade & Other Payables		421	4
Net Increase/(Decrease) in Unpaid Employee Benefits		58	55
<b>Net Cash provided by (or used in) operations</b>		<b>1,279</b>	<b>1,572</b>

## Barunga West Council

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

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
<b>\$ '000</b>										
Business Undertakings	478	352	261	157	217	195	118	-	4,939	1,066
Community Services	91	35	270	204	(179)	(169)	66	1	2,028	1,592
Culture	-	-	19	-	(19)	-	-	-	-	-
Economic Development	104	-	159	75	(55)	(75)	104	-	-	-
Environment	-	-	50	56	(50)	(56)	-	-	1,448	989
Recreation	159	33	801	580	(642)	(547)	117	-	13,544	11,969
Regulatory Services	50	61	119	134	(69)	(73)	-	-	240	235
Transport & Communication	507	545	2,145	2,125	(1,638)	(1,580)	501	545	20,725	21,839
Plant Hire & Depot/Indirect	57	47	202	209	(145)	(162)	-	-	1,583	1,965
Council Administration	4,566	4,358	981	913	3,585	3,445	329	344	2,501	6,947
Public Order & Safety	-	-	13	10	(13)	(10)	-	-	-	-
Health	5	3	9	30	(4)	(27)	-	-	-	-
Housing & Community	606	526	1,642	1,108	(1,036)	(582)	15	22	5,977	6,407
Mining & Construction	-	-	-	156	-	(156)	-	-	-	-
Other Purposes	216	202	237	194	(21)	8	-	-	-	-
<b>Total Functions/Activities</b>	<b>6,839</b>	<b>6,162</b>	<b>6,908</b>	<b>5,951</b>	<b>(69)</b>	<b>211</b>	<b>1,250</b>	<b>912</b>	<b>52,985</b>	<b>53,009</b>

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

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

Note 12b. Components of Functions

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\$ '000

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The activities relating to Council functions are as follows:

**BUSINESS UNDERTAKINGS**

Caravan Parks, Gravel Pits/Quarries, Off-street Car Parks – fee paying, Private Works, Sewerage/CWMS, Rural Transaction Centres, Post Offices.

**COMMUNITY SERVICES**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Community Support, Elderly Citizens Facilities, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**ECONOMIC AFFAIRS**

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

**PROTECTION OF THE ENVIRONMENT**

Coastal Protection, Agricultural Services, Agricultural Water, Landcare, Other Agricultural Services, Natural Resource Management Levy, and Other Environment.

**SPORT AND RECREATION**

Boat Ramps, Other Marine Facilities, Parks and Gardens, Sports Facilities – Outdoor and Other Recreation.

**REGULATORY SERVICES**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

**TRANSPORT AND COMMUNICATION**

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

**COUNCIL ADMINISTRATION**

Governance, Administration not elsewhere classified, Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

**PUBLIC ORDER AND SAFETY**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control, Car Parking – non-fee-paying, and Other Community Amenities.

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

### Note 12b. Components of Functions (continued)

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\$ '000

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**The activities relating to Council functions are as follows:**

#### **HEALTH**

Health, Preventive Health Services, Other Health Services, Community Support, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities.

#### **HOUSING AND COMMUNITY**

Dog and Cat Control, Clean Air/Pollution Control, Litter Control, Health Inspection, Waste Management, Domestic Waste, Green Waste, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping Parking Control and Other Regulatory Services, Post Office Services, Sewerage/CWMS, Cemeteries, Public Conveniences, Library Services, Heritage, Museums, and Other Cultural Services.

#### **MINING AND CONSTRUCTION**

Building Control, Town Planning, Land Development, Land Management.

#### **OTHER PURPOSES**

Private Works.

### Note 13. Financial Instruments

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#### **Recognised Financial Instruments**

##### **Bank, Deposits at Call, Short Term Deposits** **Accounting Policy:**

Carried at lower of cost and net realisable value; Interest is recognised when earned.

##### **Terms & Conditions:**

Deposits are returning fixed interest rates between 1.28% and 2.56% (2018: 1.50% and 2.25%). Short term deposits have an average maturity of 30 days and an average interest rate of 2.56% (2018: 30 days and 1.50%).

##### **Carrying Amount:**

Approximates fair value due to the short term to maturity.

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

Note 13. Financial Instruments (continued)

\$ '000

**Recognised Financial Instruments**

**Receivables**

**Rates & Associated Charges**

(including legals & penalties for late payment)

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of ~~x~~% (2018: 2.56%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables**

**Fees & Other Charges**

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables**

**Other Levels of Government**

**Accounting Policy:**

Carried at nominal value.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

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

Note 13. Financial Instruments (continued)

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\$ '000

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**Recognised Financial Instruments**

**Receivables**

**Retirement Home Contributions**

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Liabilities**

**Creditors and Accruals**

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

**Liabilities**

**Interest Bearing Borrowings**

**Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable semi annually; interest is charged at fixed rates between 3.60% and 8.07% (2018: 3.60% and 8.07%).

**Carrying Amount:**

Approximates fair value.

**Liabilities**

**Finance Leases**

**Accounting Policy:**

Accounted for in accordance with AASB 117.

## Barunga West Council

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

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,454	-	-	2,454	2,454
Receivables	579	-	-	579	579
<b>Total Financial Assets</b>	<b>3,033</b>	<b>-</b>	<b>-</b>	<b>3,033</b>	<b>3,033</b>
<b>Financial Liabilities</b>					
Payables	693	-	-	693	660
Current Borrowings	185	-	-	185	150
Non-Current Borrowings	-	445	120	565	495
<b>Total Financial Liabilities</b>	<b>878</b>	<b>445</b>	<b>120</b>	<b>1,443</b>	<b>1,305</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2018</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,168	-	-	2,168	2,168
Receivables	291	-	-	291	128
<b>Total Financial Assets</b>	<b>2,459</b>	<b>-</b>	<b>-</b>	<b>2,459</b>	<b>2,296</b>
<b>Financial Liabilities</b>					
Payables	272	-	-	272	269
Current Borrowings	261	-	-	261	212
Non-Current Borrowings	-	663	139	802	706
<b>Total Financial Liabilities</b>	<b>533</b>	<b>663</b>	<b>139</b>	<b>1,335</b>	<b>1,187</b>

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.78%	645	6.04%	918
		<b>645</b>		<b>918</b>

#### Net Fair Value

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

## Barunga West Council

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

#### Note 13. Financial Instruments (continued)

\$ '000

##### Risk Exposures

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

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

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

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

#### Note 14. Commitments for Expenditure

\$ '000

	Notes	2019	2018
<b>Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		30	45
Waste Management Services		607	191
Employee Remuneration Contracts		643	1,250
Other - Various		54	63
		<b>1,334</b>	<b>1,549</b>
<b>These expenditures are payable:</b>			
Not later than one year		557	602
Later than one year and not later than 5 years		777	947
Later than 5 years		-	-
		<b>1,334</b>	<b>1,549</b>

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

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2019	2019	2018	2017

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

**1. Operating Surplus Ratio**

Operating Surplus	(69)	(1%)	3%	7%
Total Operating Income	6,839			

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

**2. Net Financial Liabilities Ratio**

Net Financial Liabilities	(1,290)	(19%)	(12%)	(7%)
Total Operating Income	6,839			

*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.*

<b>Adjusted Operating Surplus Ratio</b>	(5%)	(1%)	3%
<b>Adjusted Net Financial Liabilities Ratio</b>	(15%)	(8%)	2%

**3. Asset Renewal Funding Ratio**

Net Asset Renewals	723	52%	36%	41%
Infrastructure & Asset Management Plan required expenditure	1,384			

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

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

Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0%</td> </tr> <tr> <td>2017</td> <td>7%</td> </tr> <tr> <td>2018</td> <td>3%</td> </tr> <tr> <td>2019</td> <td>-1%</td> </tr> </tbody> </table>	Year	Ratio %	2016	0%	2017	7%	2018	3%	2019	-1%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio -1%</b></p> <p>The operating surplus is within acceptable range according to Council's Long Term Financial Plan.</p>
Year	Ratio %											
2016	0%											
2017	7%											
2018	3%											
2019	-1%											
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>11%</td> </tr> <tr> <td>2017</td> <td>-7%</td> </tr> <tr> <td>2018</td> <td>-12%</td> </tr> <tr> <td>2019</td> <td>-19%</td> </tr> </tbody> </table>	Year	Ratio %	2016	11%	2017	-7%	2018	-12%	2019	-19%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio -19%</b></p> <p>A negative value indicates that Council is holding more cash and investments (current assets) than payables and provisions (current liabilities). This ratio has improved for the last 4 years.</p>
Year	Ratio %											
2016	11%											
2017	-7%											
2018	-12%											
2019	-19%											
<p><b>Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0%</td> </tr> <tr> <td>2017</td> <td>3%</td> </tr> <tr> <td>2018</td> <td>-1%</td> </tr> <tr> <td>2019</td> <td>-6%</td> </tr> </tbody> </table>	Year	Ratio %	2016	0%	2017	3%	2018	-1%	2019	-6%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio -5%</b></p> <p>This chart takes out from the Operating Surplus the \$292,000 Grants Commission prepayment of Councils 2019/20 grant allocation.</p>
Year	Ratio %											
2016	0%											
2017	3%											
2018	-1%											
2019	-6%											
<p><b>Adjusted Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>11%</td> </tr> <tr> <td>2017</td> <td>2%</td> </tr> <tr> <td>2018</td> <td>-8%</td> </tr> <tr> <td>2019</td> <td>-15%</td> </tr> </tbody> </table>	Year	Ratio %	2016	11%	2017	2%	2018	-8%	2019	-15%	<p><b>Purpose of Adjusted Net Financial Liabilities Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio -15%</b></p> <p>This chart takes out from the Net financial Liabilities Ratio the \$292,000 Grants Commission prepayment of Councils 2018/19 grant allocation.</p>
Year	Ratio %											
2016	11%											
2017	2%											
2018	-8%											
2019	-15%											
<p><b>3. Asset Renewal Funding Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>49%</td> </tr> <tr> <td>2017</td> <td>41%</td> </tr> <tr> <td>2018</td> <td>36%</td> </tr> <tr> <td>2019</td> <td>52%</td> </tr> </tbody> </table>	Year	Ratio %	2016	49%	2017	41%	2018	36%	2019	52%	<p><b>Purpose of Asset Renewal Funding Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 52%</b></p> <p>Council is using depreciation expense as a proxy, the Road Infrastructure renewal program has fluctuated significantly in each of the last few years due to continuing review of road categories.</p>
Year	Ratio %											
2016	49%											
2017	41%											
2018	36%											
2019	52%											

## Barunga West Council

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

#### Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	6,839	6,162
less Expenses	(6,908)	(5,951)
<b>Operating Surplus / (Deficit)</b>	<b>(69)</b>	<b>211</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(752)	(519)
<i>add back</i> Depreciation, Amortisation and Impairment	1,384	1,428
<i>add back</i> Proceeds from Sale of Replaced Assets	29	9
<b>Subtotal</b>	<b>661</b>	<b>918</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(654)	(1,000)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	590	210
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	-	-
<b>Subtotal</b>	<b>(64)</b>	<b>(790)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>528</b>	<b>339</b>

#### Note 17. Operating Leases

Council does not have any Operating Leases.

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

Note 18. Superannuation

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\$ '000

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018/19; 9.50% in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017/18) of "superannuation" salary.

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

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

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

**Contributions to Other Superannuation Schemes**

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

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

#### Note 19. Interests in Other Entities

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\$ '000

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Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

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

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

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

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

##### 1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,056 km of road reserves of average width 8 metres.

##### 2. POTENTIAL INSURANCE LOSSES

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

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

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

##### 3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$74,184 (2018: \$154,388) at reporting date.

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

##### 4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date.

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

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2019, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 15/11/19.

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

Note 23. Related Party Transactions

\$ '000	2019	2018
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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, 12 persons were paid the following total compensation:

**The compensation paid to Key Management Personnel comprises:**

Short-Term Employee Benefits	399	410
Allowances	78	72
Rent Allowance	8	8
<b>Total</b>	<b>485</b>	<b>490</b>

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:

Rentals for Council property	5	11
<b>Total</b>	<b>5</b>	<b>11</b>

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

Note 24. Material Budget Variations

\$ '000

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

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

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

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance* -----		
<b>REVENUES</b>					
<b>Rates Revenues</b>	4,708	4,731	23	0%	F
<b>Statutory Charges</b>	63	132	69	110%	F
Town Planning Fees were 87% higher than budgeted, and all 418 properties at Fisherman Bay were subject of property searches during the year.					
<b>User Charges</b>	454	478	24	5%	F
<b>Grants, Subsidies &amp; Contributions</b>	615	1,250	635	103%	F
Council received a grant for the Drought Community Programme for \$1.0M. \$410,000 of this was operating income, and the balance of \$590,000 was Capital Income. Council also received a prepayment of the Financial Assistance Grants (50% of the 2019/20 budget allocation), as well as 2 years prepayment of Supplementary Road funding.					
<b>Investment Income</b>	30	67	37	123%	F
Council maintained higher than anticipated cash and investment balances throughout the first 6 months of the year.					
<b>Reimbursements</b>	8	52	44	550%	F
Original Budget items were later reclassified.					
<b>Other Income</b>	100	129	29	29%	F
A large number of insurance claims in 2018/19, and also a large reimbursement for a Council-installed septic tank.					
<b>EXPENSES</b>					
<b>Employee Costs</b>	2,085	2,164	79	4%	F
<b>Materials, Contracts &amp; Other Expenses</b>	2,499	3,305	806	32%	F
The bulk of the variance relates to expenditure related to the unbudgeted grant of \$1.0M under the Drought Community Programme.					
<b>Depreciation, Amortisation &amp; Impairment</b>	1,488	1,384	(104)	(7%)	U
<b>Finance Costs</b>	48	55	7	15%	F
A community loan was repaid early in 2018/19, and this incurred penalty interest for the group.					

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
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## INDEPENDENT AUDITOR'S REPORT

### To the members of the Barunga West Council

#### Opinion

We have audited the accompanying financial report of the Barunga West Council (the Council), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Barunga West Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

#### Basis for Opinion

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

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

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

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

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

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

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

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

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

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Luke Williams** CA, CPA Registered Company Auditor  
Partner

14 / 11 / 2019

David Chant CA, FCPA  
Simon Smith CA, FCPA  
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## INDEPENDENT AUDITOR'S REPORT

### To the Members of the Barunga West Council

#### Independent Assurance report on the Internal Controls of the Barunga West Council

##### Opinion

We have audited the compliance of the Barunga West Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with law.

In our opinion, the Barunga West Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

##### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 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 2018 to 30 June 2019. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

##### Our Independence and Quality Control

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

##### The Council's Responsibility for Internal controls

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 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 2018 to 30 June 2019. 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.

**Limitations of Controls**

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

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

**Limitation of Use**

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Luke Williams** CA, CPA Registered Company Auditor  
Partner

14 / 11 / 2019

## Barunga West Council

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

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Barunga West Council for the year ended 30 June 2019, the Council's Auditor, Galpins 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*.



Andrew John Cole  
**CHIEF EXECUTIVE OFFICER**



Pat Flood  
**PRESIDING MEMBER, AUDIT COMMITTEE**

**Date: 15 November 2019**

## Barunga West Council

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

#### Statement by Auditor

I confirm that, for the audit of the financial statements of Barunga West Council for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



---

Luke Williams  
Galpins

Dated this 6 day of November 2019.

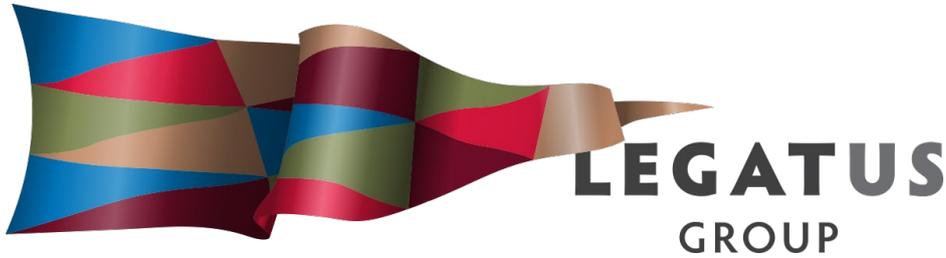
# *Lifestyle for the future*

## **Appendix B**

*Legatus Group Annual Report 2018/19*



# *Legatus Group Annual Report 2018/19*



## 2018/2019 ANNUAL REPORT

The Legatus Group Charter requires that the AGM receive the Legatus Group's Annual Report which may incorporate reports from committees and any representatives reports from other organisations.

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

### 2018/2019 ANNUAL REPORT

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

**The Legatus Group is a regional subsidiary of:**

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

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is referred. The Legatus Group is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils

- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

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

**Contact Details:** Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453 Telephone: 08 88421385 Email: [ceo@legatus.sa.gov.au](mailto:ceo@legatus.sa.gov.au) Website: [www.legatus.sa.gov.au](http://www.legatus.sa.gov.au)

**Legatus Group Board of Management:** The Board consists of all principal members (Mayor / Chairman) of the Constituent Councils which for 2018/2019 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty until 9 November 2018 Mayor Mark Wasley from 9 November 2018
Barunga West Council	Mayor Cynthia Axford until 9 November 2018 Mayor Leonie Kerley from 9 November 2018
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM until 9 November 2018 Mayor Wayne Thomas from November 2018
Copper Coast Council	Mayor Paul Thomas AM until 9 November 2018 Mayor Roslyn Talbot from 9 November 2018
District Council of Mount Remarkable	Mayor Colin Nottle until 9 November 2018 Mayor Phillip Heaslip from 9 November 2018
District Council of Orroroo Carrieton	Chairman Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor John Rohde until 9 November 2018 Mayor Leon Stephens from 9 November 2018
Regional Council of Goyder	Mayor Peter Matthey OAM
The Barossa Council	Mayor Bob Sloane until 9 November 2018 Mayor Bim Lange from 9 November 2018
The Flinders Ranges Council	Mayor Peter Slattery

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

**Office Bearers for 2017/18**

<b>Chairman:</b>	<b>Mayor Peter Matthey OAM</b>
<b>Deputy Chairs:</b>	<b>Chairman Kathie Bowman</b> <b>Mayor Bob Sloane until 9 November 2018</b> <b>Mayor Bill O'Brien from 9 November 2018</b>
<b>South Australian Regional Organisation of Councils</b>	<b>Mayor Peter Matthey</b> <b>Mayor Bill O'Brien</b>
<b>Chief Executive Officer:</b>	<b>Mr Simon Millcock</b>
<b>Auditor:</b>	<b>Dean Newberry and Associates</b>

**Meetings of the Legatus Group**

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

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

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

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

## **Chairman's Report**

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

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

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

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

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

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

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

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

The region has been proactive in supporting the challenges and changing environment through the management of the Sector Agreement for the Climate Change Adaptation Plan and the subsequent release of the report on a Regional Sustainability Hub. This resulted in the Legatus Group being successful in their bid to project manage the Yorke Mid North Coastal Management Action Plan which is due for release later in 2019.

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

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

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

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

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

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

Mayor Peter Matthey

Chairman Legatus Group

## **CEO Report**

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

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

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

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

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

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

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

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

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

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

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

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

All grants were acquitted and reporting requirements for ongoing grants.

**Benefits to constituent councils:**

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.

- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

**Benefits across the local government sector:**

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

**Observation:**

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

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

Simon Millcock  
CEO Legatus Group

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

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

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

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

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

Chairman Kathy Bowman  
 Chairman Legatus Group Audit and Risk Management Committee

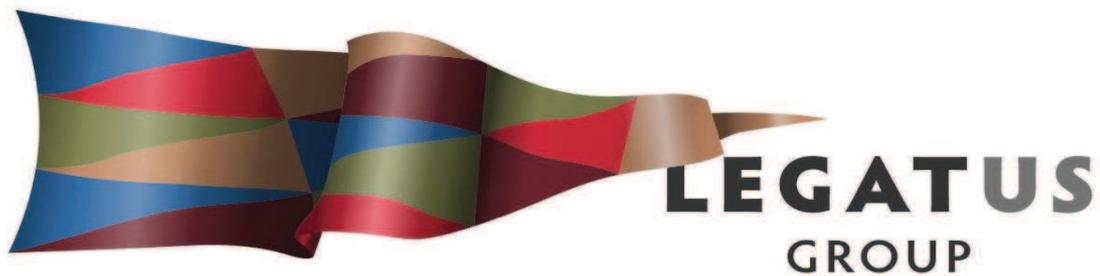
Financial Statement year ending 30 June 2019 which was adopted at the 30 August 2019 Legatus Group AGM. The Legatus Group Charter requires that the AGM receive the audited financial statement for the preceding financial year.

The 2018/2019 Legatus Group audited annual financial report was undertaken by Dean Newberry and Partners. This report was prepared by Mr Sean Cheriton The Flinders Ranges Council Acting Finance and Administration Manager and was an agenda item at the Legatus Group Audit and Risk Committee meeting held on 22 August 2019. This meeting endorsed the Legatus Group annual financial statement for the year ending 30 June 2018 as presenting a fair view of the state of the financial affairs of the Legatus Group and that the board adopt the annual financial statement. The meeting also recommended that the Legatus Group retain Dean Newberry and Partners as Auditors for the year end 30 June 2020.

The reports and statements form part of the Legatus Group Annual Report which will be distributed to Constituent Councils for inclusion with their own annual reporting requirements.

The regulations also require that on an annual basis, the Chief Executive Officer of each Constituent Council, the Legatus Group Chair and the Chair of the Audit Committee provide a statement of certification that the auditor is independent of the subsidiary. This has been completed.

CENTRAL LOCAL GOVERNMENT  
REGION of SA  
trading as



Annual Financial  
Statements

For the financial year

1 July 2018 – 30 June 2019

**LEGATUS GROUP**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2019**

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# LEGATUS GROUP

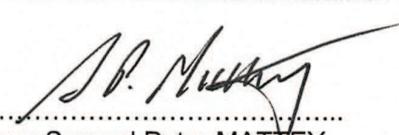
## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

### CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Group's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

  
.....  
Simon Francis MILLCOCK  
CHIEF EXECUTIVE OFFICER

  
.....  
Mayor Samuel Peter MATTEY  
PRESIDENT

Date:

30/8/2019.

**LEGATUS GROUP**

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

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

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

## LEGATUS GROUP

### STATEMENT OF FINANCIAL POSITION as at 30 June 2019

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

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

# LEGATUS GROUP

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2019

2019	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		55,336	766,113	821,449
<b>Net Surplus / (Deficit) for Year</b>		<b>179,372</b>	-	<b>179,372</b>
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	<u>(68,350)</u>	<u>68,350</u>	<u>-</u>
<b>Balance at end of period</b>		<b><u>166,358</u></b>	<b><u>834,463</u></b>	<b><u>1,000,821</u></b>
2018				
Balance at end of previous reporting period		121,695	594,332	716,027
<b>Net Surplus / (Deficit) for Year</b>		<b>105,422</b>	-	<b>105,422</b>
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	<u>(171,781)</u>	<u>171,781</u>	<u>-</u>
<b>Balance at end of period</b>		<b><u>55,336</u></b>	<b><u>766,113</u></b>	<b><u>821,449</u></b>

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

# LEGATUS GROUP

## STATEMENT OF CASH FLOWS for the year ended 30 June 2019

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

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

# LEGATUS GROUP

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Basis of Preparation

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

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

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

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

#### 1.1 Historical Cost Convention

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

#### 1.2 The Local Government Reporting Entity

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

The Constituent Councils are:

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

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

#### 1.3 Income recognition

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

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

# LEGATUS GROUP

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

#### 1.5 Property, Plant & Equipment

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

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

Office Furniture & Equipment	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

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

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

Office Furniture & Equipment	5 to 10 years
Motor Vehicles, Other Plant & Equipment	3 to 5 years

#### 1.6 Payables

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

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

#### 1.7 Employee Benefits

##### Salaries, Wages & Compensated Absences

The Group has two employees as at the 30<sup>th</sup> June 2019, a Chief Executive Officer and a Project Officer. Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

# LEGATUS GROUP

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

#### 1.8 Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation funds for the Chief Executive Officer and Project Officer.

#### 1.9 GST Implications

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

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

#### 1.10 New Accounting Standards

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

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

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

# LEGATUS GROUP

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

### Note 2 - INCOME

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

# LEGATUS GROUP

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

### Note 3 - EXPENSES

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

# LEGATUS GROUP

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

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

2019	2018
Nil	Nil

### Note 5 - CURRENT ASSETS

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

### Note 6 - NON-CURRENT ASSETS

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

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

Fair Value Level	2018 \$				2019 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
<b>Note 7 - PLANT &amp; EQUIPMENT</b>								
Motor Vehicle	-	33,353	(15,865)	17,488		33,353	(22,176)	11,177
Computers & Software	-			-				-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	-	33,353	(15,865)	17,488	-	33,353	(22,176)	11,177
<i>Comparatives</i>	-	<b>37,301</b>	<b>(13,502)</b>	<b>23,799</b>	-	<b>33,353</b>	<b>(15,865)</b>	<b>17,488</b>

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

# LEGATUS GROUP

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

### Note 8 - LIABILITIES

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

### Note 9 - RESERVES

<b>OTHER RESERVES</b>	1/7/2018	Transfers to Reserve	Transfers from Reserve	30/6/2019
General Reserve	31,093	35,000	-	66,093
1 A009-Special Projects	16,475	-	(6,650)	9,825
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	36,087	10,000	-	46,087
4 P024-Climate Change Co-Ordinator 2015-17	11,694	-	-	11,694
5 P025-LG Outreach Phase 2	132,922	-	-	132,922
6 P027-LG Reform - Incentive Risk	144,000	-	-	144,000
7 P028-Regional Capacity Building	377,569	30,000	-	407,569
<b>TOTAL OTHER RESERVES</b>	<u>766,113</u>	<u>75,000</u>	<u>(6,650)</u>	<u>834,463</u>
<i>Comparatives</i>	<u>594,332</u>	<u>225,364</u>	<u>(53,583)</u>	<u>766,113</u>

### PURPOSES OF RESERVES

#### (Other Reserves)

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

# LEGATUS GROUP

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

### Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

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

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

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

#### (c) Non-Cash Financing and Investing Activities

#### (d) Financing Arrangements

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

Corporate Credit Cards	1,000	-
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### Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

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

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

**LEGATUS GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2019**  
**Note 12 - FINANCIAL INSTRUMENTS**

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.25% as at 30 June 2019</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Trade &amp; other debtors</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

**Liquidity Analysis**

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	972,087			972,087	972,087
Receivables	69,801			69,801	69,801
<b>Total</b>	<b>1,041,888</b>	-	-	<b>1,041,888</b>	<b>1,041,888</b>
<b>Financial Liabilities</b>					
Payables	24,196	-	-	24,196	24,196
<b>Total</b>	<b>24,196</b>	-	-	<b>24,196</b>	<b>24,196</b>
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
<b>Total</b>	<b>817,635</b>	-	-	<b>817,635</b>	<b>817,635</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Net Fair Value**

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

**Risk Exposures**

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

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

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

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

# LEGATUS GROUP

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

### Note 13 - FINANCIAL INDICATORS

	2019	2018	2017
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

#### **Operating Surplus Ratio**

<u>Operating Surplus</u>	24.5%	18.8%	5.2%
Total Operating Income			

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

#### **Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	(135%)	(143%)	(119%)
Total Operating Income			

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

#### **Asset Renewal Funding Ratio**

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

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

# LEGATUS GROUP

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

### Note 14 - UNIFORM PRESENTATION OF FINANCES

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

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

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

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

# LEGATUS GROUP

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

### Note 15 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 2 persons were paid the following total compensation:

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

The Group received the following amounts in total:

	2019	2018
	\$	\$
Contributions for fringe benefits tax purposes	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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

## **LEGATUS GROUP**

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGATUS GROUP

### Opinion

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

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information other than the Financial Report and Auditor's Report Thereon

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

### **DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS**



**JIM KEOGH  
PARTNER**

Signed on the 27<sup>th</sup> day of September 2019,  
at 214 Melbourne Street, North Adelaide

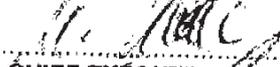
**LEGATUS GROUP**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2019, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

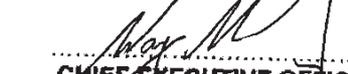
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

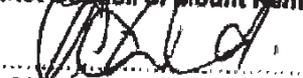
  
CHIEF EXECUTIVE OFFICER  
The Barossa Council

  
CHIEF EXECUTIVE OFFICER  
Clare & Gilbert Valleys Council

  
CHIEF EXECUTIVE OFFICER  
The Flinders Ranges Council

  
CHIEF EXECUTIVE OFFICER  
Light Regional Council

  
CHIEF EXECUTIVE OFFICER  
District Council of Mount Remarkable

  
CHIEF EXECUTIVE OFFICER  
Port Pirie Regional Council

  
CHIEF EXECUTIVE OFFICER  
York Peninsula Council

  
CHIEF EXECUTIVE OFFICER  
Wakefield Regional Council

  
CHIEF EXECUTIVE OFFICER  
District Council of Barunga West

  
CHIEF EXECUTIVE OFFICER  
District Council of the Copper Coast

  
CHIEF EXECUTIVE OFFICER  
Regional Council of Goyder

  
CHIEF EXECUTIVE OFFICER  
Adelaide Plains Council

  
CHIEF EXECUTIVE OFFICER  
Northern Areas Council

  
CHIEF EXECUTIVE OFFICER  
District Council of Orroroo Carrieton

  
CHIEF EXECUTIVE OFFICER  
District Council of Peterborough

  
CHAIRMAN  
Legatus Group  
Board of Management

Date:

### **Certification of Auditor's Independence**

I confirm that, for the audit of the financial statements of the LEGATUS Group for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Jim Keogh**

**Partner**

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**

**Dated the 21<sup>st</sup> day of August 2019**

**Barunga West Council**  
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