



# ANNUAL REPORT 2021-22





# ACKNOWLEDGMENT OF COUNTRY

The District Council of Karoonda East Murray acknowledges Aboriginal people as the First Peoples and Nations of the lands and waters we live and work upon. We pay our respects to Elders past, present and emerging. We acknowledge the traditional lands of the Ngarkat people, and we respect their spiritual relationship with their country. The District Council of Karoonda East Murray also acknowledges the Ngarkat people as the traditional custodians of the Ngarkat region and that their cultural and heritage beliefs are still as important to the living Ngarkat people today.

## Table of Contents

**03** The Year  
that was

**04** Your  
Elected  
Members

**09** Vision, Mission &  
Values +  
Council Services

**06** Council Profile

**13** Further Information  
about your Council

**08** Organisation &  
Management

**Appendix 1**  
District Council Karoonda East  
Murray General Purpose Financial  
Statements

**10** Council Initiatives

**Appendix 2**  
Murraylands and Riverland  
LGA, 2021/22 Annual Report

**12** Performance against  
Annual Business Plan

## ABOUT THIS REPORT

The Annual Report continues to provide an opportunity to reflect upon the previous twelve months and the direction of local government. It outlines the organisation's activities and achievements during the past financial year.

In accordance with Section 131 of the Local Government Act the report contains statutory information including financial statements and the work undertaken by the District Council of Karoonda East Murray.





## The Year That Was

### KEY HIGHLIGHTS

- 2022 SALA at the Park
- Council by-laws - implemented
- Karoonda Tourist Park redevelopment
- Karoonda Tourism Website launched
- Online Booking system developed for the Karoonda Tourist Park
- Apex camp kitchen - community and visitor facility
- Oval Irrigation completed
- COVID pop up clinics
- Waste depot recycling shed
- Secured funding for Waste Depot recycling shed
- YAC movie night featuring Zootopia
- YAC drive-in movie night featuring Shrek
- Karoonda Business Incentive
- International Womens Day - Diesel and dirt day
- Karoonda Swimming Pool opened
- TicSA DCKEM Partnership - Business tour
- Won cross Council collaboration State Award - LG Professionals



## Your Elected Members (as at 30 June 2022)

### Council

The Council, consisting of the mayor and six councillors, is the decision making body on all policy matters. Ordinary meetings of the Council are held on the second Tuesday of every month at 7.30pm.

### Agendas and Minutes

Agendas of all Council and standing committees are placed on public display no less than three days prior to those meetings. Minutes are placed on display in accordance with the Local Government Act.



### Caroline Phillips

Mayor

Resides in Wynarka.  
First elected to Council in 2010.  
Deputy Mayor (2014 - 2018)  
Mayor (2018 - current)  
Email: Mayor@dckem.sa.gov.au



### Daryl Sparks

Deputy Mayor / Councillor

Resides in Karoonda.  
First elected to Council in 2014.  
Email: CrSparks@dckem.sa.gov.au



### Kevin Burdett OAM

Councillor

Resides in Karoonda.  
First elected to Council in 1998.  
Mayor (2001 to 2018)  
Email: CrBurdett@dckem.sa.gov.au





**Yvonne Smith JP**  
**Councillor**  
Resides in Bowhill.  
First elected to Council in 2010.  
Email: CrSmith@dckem.sa.gov.au



**Simon Martin**  
**Councillor**  
Resides in Wynarka.  
First elected to Council in 2018.  
Email: CrMartin@dckem.sa.gov.au



**Darren Zadow**  
**Councillor**  
Resides in Galga.  
First elected to Council in 2014.  
Email: CrZadow@dckem.sa.gov.au



**Russell Norman**  
**Councillor**  
Resides in Karoonda.  
First elected to Council in 2018.  
Email: CrNorman@dckem.sa.gov.au





Located only 150km from Adelaide and 110km from Loxton, Karoonda is referred to as **“the Heart of the Mallee”**

## Origins of Our Community

The first occupiers of the area were the Ngarkat tribe, whose lands roughly extended north beyond Copeville, south towards Coonalpyn, east to near the border and west to a few miles from the river. There were no Ngarkat surviving tribally by the mid 1800's when the pastoralists moved in, mainly due to disease and wars with neighbouring tribes.

The land was taken up for grazing sheep on huge pastoral leases from 1859, when Chucka Bend (Bowhill) Station included where Karoonda stands today. However, these leases were not successful and were abandoned by 1900.

The district was established in 1911 and its economic base is predominantly dry land agriculture, largely based on traditional broad acre grain and wool.



**Land Area**  
**4,415**  
square kms

**Population**  
**1,025**

**Annual**  
*Rain Fall 2021*



**262mm**

## COUNCIL PROFILE

The District Council of Karoonda East Murray is a local government authority established under the Local Government Act 1999 whose role is to govern and manage a designated Local Government district. A Mayor and six elected members represent the population.

In 1979 the District Councils of Karoonda (est. 1922) and East Murray (est 1923) amalgamated to form the District Council of Karoonda East Murray.

New offices and chambers were built at 11 Railway Terrace, Karoonda in 1980, from where Council operates today. Office extensions were completed in March 2007.

The district was unique in that the railways were established before close settlement began. Karoonda became a very important rail town, a hub serving sidings and towns in four directions at approximately 8km intervals. There were coaling and watering facilities and workshops and a barn for railcars stationed here.

With the introduction of the railways, settlers began taking up selections, clearing the dense scrub with horse drawn rollers. By 1930 about half the arable land was cleared.

Today's farming practices have seen significant change from the traditional practices of generations past. More sustainable practices have resulted in increased land productivity whilst protecting and enhancing our fragile natural environment.

Karoonda is the major town in the area with a population of 350. The town offers a range of services including access to aged care services, a school, pre-school, cafés, hospital, ambulance, CFS, grocery store, newsagency, hotel, chemist and banking via post office. Along with a range of businesses servicing the local and rural sector.



# Organisation & Management



**Katrina Fromm**  
Deputy Chief Executive Officer



**Martin Borgas**  
Chief Executive Officer



**Calvin Hoye**  
General Manager Assets,  
Infrastructure &  
Regulatory Services

**Chief Executive Officer**

**Deputy Chief Executive Officer**

**Economic Development, Tourism & Communications Officer**

**General Manager Assets, Infrastructure & Regulatory Services**

**Executive Support Officer (0.6 FTE)**

**Senior Corporate & Community Admin Officer (0.8 FTE)**

**Senior Admin Officer (0.8 FTE)**

**Finance Officer (0.6 FTE)**

**Administration Officer (1.0 FTE)**

**Mallee Kids Childcare Coordinator (1.0 FTE)**

**Mallee Kids Childcare (6 x Casual)**

**Infrastructure, Works & Projects Coordinator**

**Field Worker (6x)**

(As at 25 October 2022)



# Vision, Mission & Core Values

## Vision

The District Council of Karoonda East Murray is recognised for its strong leadership, progressive community, quality lifestyle, expanding economic opportunities and enhanced natural environment.

## Mission

Provide relevant and value-added services and infrastructure that support our entire Council area through effective utilisation of available resources.

## Core Values

The following values are the cornerstone of our culture and guide us in achieving our mission:

- Contribution to entire Council area
- Innovation
- Teamwork
- Customer Service
- Employer of Choice
- Respect

# Services to the Community

Council makes decisions on policy issues relating to services that are provided for members of the public. The range of services includes:

- |                                    |                                    |                        |
|------------------------------------|------------------------------------|------------------------|
| • Roads                            | • Footpaths                        | • Kerbing              |
| • Stormwater Drainage              | • Traffic Control Devices          | • Street Lighting      |
| • Street Sweeping                  | • Tree Planting                    | • Car Parks            |
| • Public Cemeteries                | • Toilets                          | • Libraries            |
| • Seating                          | • Garbage Collection & Litter Bins | • Playground Equipment |
| • Community Halls                  | • Immunisation Programs            | • Clean Air Controls   |
| • Environmental Health Matters     | • Planning Controls                | • Parking Controls     |
| • Dog Control                      | • Housing for the Aged             | • Community Transport  |
| • Recreational/Sporting Facilities | • Tourism                          | • Childcare            |



# Performance Against Annual Business Plan

## Annual Business Plan Actions

Council completed many of the actions from its ABP in 2021 - 2022 which supports the Strategic Management Plan noting however that some actions are in progress or were deferred and will occur in the 2022-2023 year. Council also diverted resources to support the community and local businesses through the impact of COVID -19.

GOAL AREA 1 - PROSPEROUS		
	ACTION	STATUS
P1	Redesign Karoonda.com & booking system	Complete
P2	Karoonda Business Rebate Initiative	Complete
P3	Karoonda Tourist Park Upgrades	Complete
GOAL AREA 2 - LIVEABLE		
	ACTION	STATUS
L1	Create relevant and appropriate by-laws	Complete
L2	Road Network Gazettal Statuses	Data on high used routes being examined to determine the most appropriate roads to nominate
L3	CP - Road Renewal - Turners Well Rd	Complete
L4	CP -Road Renewal -Charleson Rd	Complete
L5	CP -Road Renewal -township seal	Complete
L6	CP -Karoonda Walking Trail Stage 1	Complete
L7	CP -Road Renewal -Sandalwood/ MaramaRd	Complete
L9	CP-Road Renewal -Peake Road	Complete
L9a	Oval Irrigation Upgrade	Complete
L10	CP -Knights Well Road	Complete
GOAL AREA 3 - CONNECTED		
	ACTION	STATUS
C1	Cemetery Upgrades & Working Bees (Sandalwood Hall)	Complete
C2	Support and develop community-based activities and events that bring people together	Ongoing
C3	Strengthen ties between Council and Ag industry organisations	Ongoing



### GOAL AREA 4 - OPPORTUNISTIC

	<b>ACTION</b>	<b>STATUS</b>
O2	Identify future shovel ready projects	Potential projects list has been created and will establish a bi-monthly process of grant opportunity review and project alignments.
O3	Industrial Services (connect services)	On Track - design being finalised
O4	Karoonda Farm Fair Exhibition Shed	Complete
O5	Engage with business owners to determine how they can be connected to Council initiative (QR coding)	Complete

### GOAL AREA 5 - ACTIVE

	<b>ACTION</b>	<b>STATUS</b>
A1	Support Pioneer Park to sustainably manage collection	Continuing to work with Karoonda Historical Society. Business plan review and budgeting discussions underway.
A2	DVA Walking Trail	Construction to commence end of Nov
A3	Karoonda Swimming Pool	Complete

### GOAL AREA 6 - ECO-FRIENDLY

	<b>ACTION</b>	<b>STATUS</b>
E1	Increase frequency of kerbside recycling	Ongoing
E2	Create a waste facility strategy for Karoonda landfill	Have committed to participating in the procurement process under the MRLGA strategy.
E3	Review underlying cost structures of CWMS	Ongoing
E4	Pest & Weeds R2	Complete
E5	Sand Drift Removal	Deferred re-oval project
E6	Karoonda Waste Facility Sorting Shed	Complete

### GOAL AREA 7 - GOOD GOVERNANCE

	<b>ACTION</b>	<b>STATUS</b>
G1	Develop Business Continuity Plan	Complete
G3	Implement Human Resources Action Plan	Complete
G4	Implement WHS & Injury Management Plan	Complete
G5	Develop Strategic Risk Register	Complete



# Council Initiatives

Throughout the year, Council conducted a number of community focused initiatives, including the Karoonda Business Incentive and working with the Youth Action Committee on various exciting projects.

## KAROONDA BUSINESS INCENTIVE

The local businesses of Karoonda are looking a little different thanks to the Karoonda Business Incentive project which has seen businesses improve the street presence by adding new signage or painting their shop fronts.

It was great to see so many local businesses get on board and take advantage of this initiative. On the completion of their works and upon provision of proof of the expense, applicants were entitled to up to \$500.00.



## YOUTH ACTION COMMITTEE

The Youth Action Committee has continued to meet on a regular basis. With a primary focus on being the voice of young people for our district, the members of this group are full of ideas for events to engage with our community and enthusiasm and passion for our region. From drive in movie nights to sculpture installations, this group are mentored in different aspects of business to develop skills to serve them well into their future.



## Further Information about your Council

### PUBLIC CONSULTATION POLICY

The purpose of this policy is to outline the principles and procedures that the Council will follow to involve the community in planning and decision making in the local area, and to ensure accountability of the Council to the community through affective communication and consultation strategies.

### COMMUNITY CONSULTATION

The District Council of Karoonda East Murray consults with local residents on particular issues that affect their neighbourhood.

1. Meetings of Electors - All residents and electors are eligible to attend meetings to decide matters where Council seeks the direction of the electors of the area.
2. Residents are notified of some Development Applications requiring the approval of Council. A number of applications are exempted from public notification by the Planning Act.

### COUNCIL MEETINGS

Council meets on the 2nd Tuesday of each month. Meetings are held at the Council Chambers, 11 Railway Terrace, Karoonda and all meetings are open to the public. 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 Committee Chairman or the Mayor, a member of the public can address a Committee or the Council personally or on behalf of a group of residents.
2. Presentations to Council - With prior notification and arrangement with the Mayor, a member of the public can address the Council for five minutes

on any issue 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 their Elected Members of Council to discuss any issue relevant to Council.

### SPECIAL COUNCIL COMMITTEE MEETINGS

Are held at the request of the presiding member or at least two members of a Council Committee. The Chief Executive Officer must ensure that each member of a Council Committee is given notice of a special meeting of the Committee at least four hours before the commencement of the meeting

### INFORMAL GATHERINGS/ INFORMATION OR BRIEFING SESSIONS

Are generally held at 5.30 pm proceeding each ordinary meeting of council. Section 90A of the Local Government Act 1999 provides that Council can call an Informal Gathering/Information or Briefing Session. Councils information or briefing sessions provide a valuable opportunity to enhance the decision-making processes by providing opportunities for Council Members to become better informed on issues and seek further clarification or to participate in training and development opportunities.

A matter at an Information or briefing sessions must not be dealt with in such a way as to obtain, or effectively obtain, a decision on the matter outside a formal meeting of the Council.



## Further Information about your Council

During the reporting period Council has held 10 briefing sessions covering the following topics:

13 July 2021	<ul style="list-style-type: none"> <li>Starclub Murraylands 2020/21 annual update</li> <li>Assets, Infrastructure &amp; Regulatory Services update</li> <li>PDI act delegations – amendment to current delegations</li> <li>Annual Business Plan &amp; Budget 2021-22</li> <li>Rating Policy</li> <li>Centenary of the proclamation of the former District Council of Karoonda and District Council of East Murray</li> <li>Round 2 &amp; 3 LRCI funding</li> <li>LGFA AGM Voting Delegate</li> <li>Karoonda Tourist Park Masterplan</li> <li>Patrol Grading</li> </ul>	14 December 2021	<ul style="list-style-type: none"> <li>Karoonda Tourist Park</li> <li>Karoonda Loading Ramp Facility</li> <li>2021 – 22 Budget Review 1</li> <li>Correspondence</li> <li>YAC update</li> </ul>
10 August 2021	<ul style="list-style-type: none"> <li>General Update</li> <li>Assets, Infrastructure &amp; Regulatory Services update</li> <li>YAC Update</li> <li>Long Term Financial Plan 2022-31</li> <li>Celebrating Diversity in November – Flying the Rainbow flag</li> <li>Policy Updates</li> </ul>	8 February 2022	<ul style="list-style-type: none"> <li>Correspondence</li> <li>Council By-laws</li> <li>Karoonda Housing Initiative</li> <li>MR Plan Discussion</li> </ul>
14 September 2021	<ul style="list-style-type: none"> <li>General Updates</li> <li>Assets, Infrastructure &amp; Regulatory Services Update</li> <li>YAC Update</li> <li>Karoonda Farm Fair and Show Support</li> <li>Karoonda Footpath Strategy</li> <li>MRLGA Regional Health Strategy</li> <li>Karoonda Oval Irrigation</li> </ul>	8 March 2022	<ul style="list-style-type: none"> <li>Loading Ramp</li> <li>Karoonda Housing Initiative Round 2</li> <li>Oval Management and Irrigation Upgrade</li> <li>Karoonda Swimming Pool</li> <li>Correspondence</li> </ul>
12 October 2021	<ul style="list-style-type: none"> <li>General Updates</li> <li>Assets, Infrastructure &amp; Regulatory Services Update</li> <li>Karoonda Oval Irrigation</li> <li>Karoonda Men’s Shed</li> <li>Community Equipment Resource Hire</li> <li>Correspondence</li> </ul>	12 April 2022	<ul style="list-style-type: none"> <li>2022/23 Draft Budget Workshop (Rex Mooney)</li> <li>CEO Update</li> <li>Karoonda Area School Swimming Pool</li> <li>Assets, Infrastructure &amp; Regulatory Services Update</li> <li>Community Equipment Resource Hire</li> <li>Caretaker Policy Update</li> <li>Release of Confidential Items</li> <li>Correspondence</li> </ul>
9 November 2021	<ul style="list-style-type: none"> <li>Mallee Kids Childcare Christmas Closure</li> <li>Centenary Celebrations – Former Council's</li> <li>Karoonda Tourist Park Redevelopment</li> <li>Christmas Closure</li> <li>Dissolution of Karoonda Court Committee</li> <li>By-laws - Confidential</li> <li>Chief Executive Officer Annual Performance Review – Confidential</li> <li>Correspondence</li> </ul>	14 June 2022	<ul style="list-style-type: none"> <li>CEO Verbal Report</li> <li>Budget Review 3</li> <li>Annual Business Plan</li> <li>Rating Policy</li> <li>MRLGA Business Plan</li> <li>Strategic Planning</li> <li>Emergency Management Declaration</li> <li>LG Reform Feedback</li> <li>Fees and Charges</li> <li>Correspondence</li> </ul>



## MINUTES OF COUNCIL AND COMMITTEE MEETINGS AND RELEASE OF DOCUMENTS

In accordance with Section 91(7) of the Local Government Act nil orders were made under that subsection in the financial year.

## CHIEF EXECUTIVE REVIEW COMMITTEE

(Section 41 – Local Government Act 1999)

The purpose of the Chief Executive Review Committee is to facilitate a fair and equitable CEO performance review process on an annual basis. Inclusive of establishing a Council Committee to be known as the Chief Executive Review Committee and requiring the engagement of a qualified independent advisor with skills and experience in human resource management to assist in the conduct of the annual performance review process. This first review of the current Chief Executive Officer was conducted in December of 2021 with the review committee consisting of the entire elected member body. McArthur's were engaged as the independent entity to facilitate and advise members.

## CONFIDENTIALITY PROVISIONS

Confidentiality provisions were used pursuant to Section 90 of the Local Government Act, 1999 on seven occasions.

## COMMITTEES

Council has the following constituted Committees in place:

- Audit Committee
- Australia Day Advisory Committee
- Karoonda & District Historical Society
- Wynarka & District Recreation Committee
- CEO Performance Review Committee

## REGIONAL SUBSIDIARY

Section 43 Committee – MRLGA

As at 30 June 2022, Council has one regional subsidiary that falls within the provisions of Section 43 of the Local Government Act 1999. The Regional Subsidiary known as the MRLGA (Murraylands Riverland Local Government Association) and Mayor Phillips has served as MRLGA Deputy Chair.

The regional subsidiary is required to produce its own Annual Reports and the Local Government Act 1999 provides that each constituent Council must incorporate the annual report of each regional subsidiary into its own annual report. The MRLGA Annual Report is attached as Appendix One.

## 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 listed in the Policy Manual and are reviewed annually by Council.

In keeping with the legislative requirement:

- to determine policies to be applied by the Council in exercising its discretionary powers;
- to determine the type, range and scope of projects to be undertaken by council, and
- to develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of the Council.

The Council makes decisions, which 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.



## Further Information about your Council

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

### BUDGET & FINANCIAL REPORTS

The Council Auditor for the 2021/2022 financial year is Bentleys

Total remuneration that will be payable to the above Auditor for the annual audit of the financial statements including financial controls is \$15,000 ex gst. There was no other remuneration payable or paid.

### ALLOWANCES PAID TO ELECTED MEMBERS

The Remuneration Tribunal SA determines council member allowances on a four yearly basis, with an adjustment occurring on the first, second and third anniversaries (November each) to reflect changes in the CPI.

[(Section 76 and Regulation 4, Local Government (Allowances and Benefits) Regulations 2010).]

In addition, a Travel Time Allowance is payable to Council Members, excluding the Principal Member, if specific criteria is met in relation to the Council's principal office from their usual place of residence, via the most direct route. These allowances are also indexed annually. Allowances as at 30 June 2022 were:

#### Mayor

\$27,932 per annum

#### Deputy Mayor

\$8,729 per annum

#### Elected Members

\$6,983 per annum

Allowances are paid to members quarterly in arrears.

### ELECTED MEMBERS TRAVEL, ACCOMMODATION AND GIFTS

Pursuant to Regulation 35(2) provides that Council must ensure a summary of the details (including the cost) of any interstate and international travel (excluding prescribed interstate travel), including cost of travel, and gifts or hospitality above the value of \$50 either individually or cumulatively are published in its Annual Report. During the reporting period there was no interstate travel or accommodation and no gifts or hospitality above the value of \$50.00.

### EMPLOYEE TRAVEL, ACCOMMODATION AND GIFTS

During the reporting period no employees travelled interstate or internationally on official Council business. No employees received gifts or benefits over the value of \$50.00.

### MANAGEMENT & STAFFING

The total number of employees employed by the District Council of Karoonda East Murray as at 30/06/2022 is 17, consisting of 8 full time and casual employees in the area of works of Council and 8 full time, part time and casual employees in administration.

### HUMAN RESOURCE MANAGEMENT

Council has in place a Work Health Safety Committee which meets regularly and deals with matters relating to work health and safety, equal employment opportunity, employee development and training. These matters are discussed at these meetings with the regular review and adoption of relevant policies and procedures.

### TRAINING & DEVELOPMENT FOR MEMBERS OF COUNCIL



During 2021/2022 the following courses/activities were provided to members of Council:

- LGA Conferences
- Roads and Work Conference
- Strategic and Asset Management Planning
- Budget Workshops

## INTERNAL REVIEW OF COUNCIL ACTIONS

In accordance with Section 270(8) of the Local Government Act relating to the review of decisions of either Council, employees of Council or other persons acting on behalf of Council there were no applications for review under this section of the Act.

## MANAGEMENT & HUMAN RESOURCES MANAGEMENT

### SENIOR EXECUTIVE OFFICER – ALLOWANCES AS PART OF SALARY PACKAGE

#### Chief Executive Officer

Vehicle provided for private use.  
Telephone provided.

#### Deputy Chief Executive Office

Vehicle provided for private use.  
Telephone allowance.  
Subsidised house rent.

#### General Manager Infrastructure, Assets & Regulatory Services

Vehicle provided for private use.  
Telephone allowance.

## COMPETITIVE TENDERING

The current economic environment has provided several challenges in terms of price rises and supply chain issues. More than ever before, the focus has had to be on a fit for purpose outcome with significant consideration given to after sales service

and potential delays in parts or servicing items. Wait times in excess of 12 months are common place across the sector – something which to date has not had any undue effect on DCKEM.

In light of some of these challenges, council has commenced advertising some plant and equipment scheduled for disposal on local forums. Through a confidential open tender process, members of the public are able to submit offers to secure these items.

## APPLICATION OF COMPETITION POLICIES

The principles of Competition Neutrality continue to apply in accordance with Clause 7 Statement. Such a Policy does not apply to non-business non-profit government activities. Significant business activities continue to be considered by Council with no activities affected by the Policy. This includes both Category One business activities having annual revenue in excess of \$2 million.

There were no Category Two business activities which generate income or consumer resources which are significant to Council. It has been identified that there are no activities of Council where costs are predominantly met directly from the user rather than from rates or other revenue sources and there is no activity undertaken with a view to earning a return rather than meeting a community need that would otherwise not be met.

Council has updated the by-laws in 2021/22

No complaints were received alleging a breach of competitive neutrality principles. Nor was there any structural reform of public monopolies.



## Further Information about your Council

### FREEDOM OF INFORMATION STATEMENT

This Information Statement is published by the District Council of Karoonda East Murray in accordance with the requirements of the Freedom of Information Act. The District Council of Karoonda East Murray is pleased to comply with the legislation and welcomes enquiries.

An updated Information Statement will be published at least every 12 months

### PAYMENT OF COUNCIL RATES

Pursuant to Section 123 of the Local Government Act the District Council of Karoonda East Murray continues to produce an annual business plan and a budget. The annual business plan also included a summary version which was included with the first Quarter Rate Notices sent to ratepayers.

### COUNCIL'S REPRESENTATION QUOTA

In accordance with Schedule 4 Clause 3 of the Local Government Act 1999 Council is required to publish Council's own representation quota with that of similar Councils. The definition of a representation quota for this purpose has been changed to incorporate all Council Members including Mayors.

This comparison is for Councils classified as Rural Agricultural Small. The Elector Representation Review commenced in February 2017 and Council considered a Draft Electoral Review Paper with options and also resolved to utilise the review to ascertain the support for a possible name change of the Council. Given the required public consultation the review process concluded September 2017. The representation quota is the number of electors for the Council area divided by the number of Elected Members (including the Mayor).

The outcome of the Elector Representation Review was:

- The principal member of Council be a Mayor who is elected by the community; and
- that the elected body of Council comprise the Mayor and six (6) area councils.

The following table provides a comparison of representation quota with other similar sized Council's as at 30 June 2022. (next review 2024)

Council elected structure & representation table	Electors	Total Memebers (inc. Mayor)	Representation Quota
Cleve	1,284	7	183
Elliston	740	8	92
Flinders Rangers	1,189	9	132
Franklin Harbour	924	6	154
Karoonda East Murray	735	7	105
Kimba	810	7	115
Orroroo Carrieton	691	6	115
Robe	1,419	7	202
Peterborough	1,236	9	137
Wudinna	823	7	117

Source - Provided by ECSA



## LIST OF DOCUMENTS

### Mandatory Registers

- Members Register of Interests
- Members Register of Allowances and Benefits
- Officers Register of Salaries
- Officers Register of Interests
- Fees and Charges
- Community Land
- Public Roads
- By-laws

### Codes

- Members Code of Conduct
- Code of Practice for Access to Meetings and Documents
- Employees Code of Conduct

### Local Government (Elections) Act

- Campaign Donation Returns prepared by candidates
- Freedom of Information Act
- Information Statement

### Local Government Act

Internal Review Procedure

## WORK HEALTH & SAFETY

Meetings of the Work Health & Safety Committee continued with regular reviews and update of the Work Health & Safety Program and associated policies and procedures.

Council has continued to maintain a good health and safety record and this is reflected in Council's premium payments.

WH&S continues to be quite onerous and resource intensive with all Councils regardless of size having to meet requirements. Valuable assistance was provided by the Regional Risk Co-ordinator.

Risk Management assessment continued along with identification of hazards and means of dealing with those hazards continue to be a part of Council's overall focus.

## INFORMATION TECHNOLOGY

Information technology plays an integral role in the operations of Council and like many other organisation when not operating properly severely impacts on the administration of Council. Electronic copies of agendas and minutes continue to be provided to all members.

The Council Website has been updated. Council continues to operate a Facebook Page and data reveals an ongoing increase in likes since its inception in October 2013 and the My Local Services App is also utilised by Council. All ICT servers and computers were replaced in July 2018. The 2022 - 2023 Financial year will see a major upgrade to all ICT inc photocopier.

## FINANCIAL ASSISTANCE GRANTS

Financial Assistance Grants (FAGs) are a vital part of the revenue base of all Councils, Council are reliant on approx 60%.

## FINANCIAL MANAGEMENT

Council continues to meet the requirements of the Local Government (Financial Management and Rating) Amendment Bill 2005.

## BUILDING, PLANNING & ENVIRONMENTAL HEALTH SERVICES

In the area of planning Development Answers from Murray Bridge were engaged. It was fortunate that this has also included site visits. With building services, Harmer CLG from Adelaide have been utilised. District Council of Loxton Waikerie and Rural City of Murray Bridge were also utilised in the provision of environmental health services.

## COMMUNITY LAND

Council has met the requirements of the Local Government Act under Division 3 of the Local Government Act.



## Further Information about your Council

### NATIONAL COMPETITION POLICY

Council had no significant business undertakings as defined under the Clause 7 Statement of the Competition Principles Agreement.

### FREEDOM OF INFORMATION

There were 0 requests received for the period 1 July 2021 to 30 June 2022 under the Freedom of Information Act.

### PUBLIC ACCESS TO COUNCIL AND COMMITTEE MEETINGS

In accordance with Section 90(2) of the Local Government Act concerning meetings to be held in public except in special circumstances and eight orders were made under that subsection in the financial year.

### LEGAL COSTS

Under 131 (1a) Council are required to report on the amount of legal costs incurred by Council in any financial year. The total expenditure on legal costs for the 2021/22 financial year was \$26,640.00.

### COMMUNITY SERVICES

Council continues to support the community in different ways. Some example of these include youth opportunities, community library, community groups and having a presence

at the Karoonda Farm Fair.

Council also offers assistance to community groups by way of grant funding opportunities.

### AUSTRALIA DAY

On 26 January 2022 there was the traditional Australia Day Lunch hosted by the Karoonda Golf Club. They did a great job in hosting the event and it was pleasing to see that it was again well patronised. Council was fortunate in having Australia Day Ambassador, Michael O'Connell to provide an address and present the certificates.

The award winners for this year were:-

#### Citizen of the Year Award:

Karen Norman

#### Young Citizen of the Year Award:

Jackson Fromm

#### Active Citizen of the Year Award:

Jen Arnold

#### Event of the Year Award:

Mantung Hall ANZAC Day Dawn Service

### RATE REVENUE

Rate revenue raised for this financial year was \$1,788K. The CWMS rate was \$475 for an occupied allotment and \$450 per vacant allotment.

Photo: Australia Day 2022 Award Recipients







## AUDIT COMMITTEE

The purpose of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, corporate and financial governance and legal compliance, related to financial reporting and audit initiatives, the internal control system and the audit functions. The committee acts as a source of advice to Council and the Chief Executive Officer in relation to these matters.

The Committee:

- enhances the communication between the external auditor and the Council;
- assists with the management of business risks to ensure protection of Council assets;
- monitors the effectiveness of

audit and corporate and financial governance functions;

- enhances the integrity of the financial report of the Council; and
- reviews the effectiveness of the Council's internal controls and risk management systems.

## Membership

Council has appointed Members to its Audit Committee, in table below.

The following staff members have attended meetings as observers:

- Chief Executive Officer
- Deputy Chief Executive Officer
- General Manager Assets, Infrastructure & Regulatory Services.



## Further Information about your Council

### AUDIT COMMITTEE ACITIVITIES

The following table sets out the main activities addressed by the audit committee during 2021/22.

Activities	Outcome
Financial Reporting	Budget Review 1 Budget Review 2 Budget Review 3 Financial Policy Reviews 2020/21 Annual Financial Statements 2021/22 Annual Business Plan & Budget
Internal Controls and Risk Management Systems	Internal controls and risk management systems
External Audit	2021/22 Audited Annual Financial Statements Meeting with External Auditor (telephone hook-up) Appointment of External Auditor
Audit Comittee Performance	Audit Committee Work Program
Strategic Planning	Long Term Financial Plan 2023-32 Asset Management Plan 2023-32 Strategic Management Plan 2022-27

The information below is a summary of the District Council of Karoonda East Murray Audit Committee's activities undertaken and recommendations made during the 2021/2022 financial year

Name	Position
Cr Yvonne Smith	Council Member (February 2019 - Present)
Cr Daryl Sparks	Council Member (from December 2018 - Present)
Mayor Caroline Phillips	Ex-officio Member (from December 2018 - Present)
Mr Tim Muhlhausler	Independent Chair (from February 2019 - Present)

**Meetings** - The Audit Committee met five times during the year.

Meeting Date	Attendance
10 November 2021	Cr Sparks Apology
17 December 2021	All in attendance
30 March 2022	All in attendance
3 May 2022	Cr Sparks Apology
7 June 2022	Mayor Phillips Apology

## INFRASTRUCTURE & ASSETS

The works program is Council's major area of expenditure. A significant amount of construction work was carried out in 2021/22, including the road re-sheeting projects (approximately 42.2kms):

- Sandalwood/ Marama Rd - 4.7km
- Peake Rd - 16.1km
- Turners Well Rd - 11km
- Charleson Rd - 4.4km
- Knights Well Rd - 6km

### 10 Year Plant Replacement Schedule

Council's 10 Year Plant replacement Schedule continues to be reviewed on a regular basis. In 2021/22 new plant purchases included a Utility, Skid Steer Loader and Tractor.

### Waste Management

Council's contractor continues to manage waste collection on behalf of council. The implementation of the new sorting shed at the waste station will allow for a greater amount of waste to be diverted from landfill through recycling. This shed also allows for materials to be stored under cover until such time as it is viable to transport them to the nearest recycling facility. An application is currently in to allow council to participate in the container deposit scheme which will allow residents to recycle their cans and bottles at the site.

### CORPORATE CREDIT CARD USAGE

The District Council of Karoonda East Murray provides corporate credit cards to senior management for eligible business purchases. The combined limit of the cards is \$10,000.00 per month. Cards are used for purchases where no store credit facility exists with balances paid in full on a monthly basis. A total of \$79,632 was spent on corporate cards during the reporting period.

## MANAGEMENT AND HR

The District Council of Karoonda East Murray is committed to providing a work environment that is free of discrimination and reflects the diversity and needs of the community it serves.

Council is committed to the principle of equal opportunity in employment for all employees and potential employees.

Pursuant to the provisions of the SA Equal Opportunity Act 1984, the Local Government Act 1999 and Federal Equal Opportunity laws Council acknowledges its legal obligations and in addressing equal opportunity. We strive to:

- ensure that recruitment, selection, promotion, transfer and training are based solely on the merit principle; and
- ensure that the services provided to residents will be delivered in a fair and equitable manner.
- attract and retain the right staff with a moral and cultural alignment to both community and organisational expectations.





# KAROONDA EAST MURRAY ANNUAL REPORT 2021 - 2022

## APPENDICES

2021/22 Audited Financials

2021/22 Murraylands & Riverlands Local Government  
Association Annual Report



### **District Council of Karoonda East Murray**

11 Railway Terrace  
PO Box 58  
Karoonda SA 5307  
Tel: 08 8578 1004  
Fax: 08 8578 1246  
Email: [council@dckem.sa.gov.au](mailto:council@dckem.sa.gov.au)

# **District Council of Karoonda East Murray**

**General Purpose Financial Reports  
for the year ended 30 June 2022**





**District Council of Karoonda East Murray**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2022**

**Table of Contents**

	<b>Page #</b>
<b>Council Certificate</b>	3
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	8
Note 2 - Income	13
Note 3 - Expenses	15
Note 4 - Asset Disposal & Fair Value Adjustments	16
Note 5 - Current Assets	16
Note 6 - Non-Current Assets	16
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	17
Note 8 - Liabilities	22
Note 9 - Reserves	23
Note 10 - Reconciliation of Cash Flow Statement	24
Note 11 - Functions	25
Note 12 - Financial Instruments	27
Note 13 - Expenditure Commitments	29
Note 14 - Financial Indicators	30
Note 15 - Uniform Presentation of Finances	31
Note 16 - Superannuation	32
Note 17 - Contingent Assets & Contingent Liabilities	33
Note 18 - Related Party Transactions	34
Note 19 - Change in accounting policy - Prior Year Restatements	35
<b>Audit Report - Financial Statements</b>	36
<b>Audit Report - Internal Controls</b>	38
<b>Council Certificate of Audit Independence</b>	40
<b>Auditor Certificate of Audit Independence</b>	41

**District Council of Karoonda East Murray**  
**Annual Financial Statements**  
**for the year ended 30 June 2022**

**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 2022 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.



.....  
**Martin Borgas**  
**CHIEF EXECUTIVE OFFICER**

Date: 11/10/2022



.....  
**Caroline Phillips**  
**MAYOR/COUNCILLOR**



**District Council of Karoonda East Murray**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2022**

	Notes	2022 \$'000	2021 \$'000
<b>INCOME</b>			
Rates	2	1,788	1,713
Statutory charges	2	38	51
User charges	2	343	312
Grants, subsidies and contributions	2	3,622	3,876
Investment income	2	20	18
Reimbursements	2	2	3
Other income	2	686	234
<b>Total Income</b>		<b>6,499</b>	<b>6,207</b>
<b>EXPENSES</b>			
Employee costs	3	1,131	1,276
Materials, contracts & other expenses	3	2,362	2,714
Depreciation, amortisation & impairment	3	1,599	1,594
<b>Total Expenses</b>		<b>5,092</b>	<b>5,584</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>1,407</b>	<b>623</b>
Asset disposal & fair value adjustments	4	(16)	98
Amounts received specifically for new or upgraded assets	2	-	906
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>1,391</b>	<b>1,627</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	1,639
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,391</b>	<b>3,266</b>

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

**District Council of Karoonda East Murray**  
**Statement of Financial Position**  
**as at 30 June 2022**

<b>ASSETS</b>	<b>Notes</b>	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	2,781	2,632
Trade & other receivables	5	375	345
Inventories	5	8	6
<b>Total Current Assets</b>		<b>3,164</b>	<b>2,983</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	45,233	44,548
Other non-current assets	6	860	657
<b>Total Non-current Assets</b>		<b>46,093</b>	<b>45,205</b>
<b>Total Assets</b>		<b>49,257</b>	<b>48,188</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	334	669
Provisions	8	194	194
<b>Total Current Liabilities</b>		<b>528</b>	<b>863</b>
<b>Non-current Liabilities</b>			
Provisions	8	23	10
<b>Total Non-current Liabilities</b>		<b>23</b>	<b>10</b>
<b>Total Liabilities</b>		<b>551</b>	<b>873</b>
<b>NET ASSETS</b>		<b>48,706</b>	<b>47,315</b>
<b>EQUITY</b>			
Accumulated Surplus		18,734	17,343
Asset Revaluation Reserves	9	29,972	29,972
<b>TOTAL EQUITY</b>		<b>48,706</b>	<b>47,315</b>

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



**District Council of Karoonda East Murray**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2022**

		Acc'd Surplus	Asset Rev'n Reserve	TOTAL EQUITY
2022	Notes	\$'000	\$'000	\$'000
Balance at end of previous reporting period		17,343	29,972	47,315
<b>Net Surplus / (Deficit) for Year</b>		<b>1,391</b>		<b>1,391</b>
<b>Balance at end of period</b>	9	<b>18,734</b>	<b>29,972</b>	<b>48,706</b>
<b>2021</b>				
Balance at end of previous reporting period		14,879	28,333	43,212
Adjustment to give effect to changed accounting policies		837		837
Restated opening balance		15,716	28,333	44,049
<b>Net Surplus / (Deficit) for Year</b>		<b>1,627</b>	-	<b>1,627</b>
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	1,639	1,639
<b>Balance at end of period</b>	9	<b>17,343</b>	<b>29,972</b>	<b>47,315</b>

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

# District Council of Karoonda East Murray

## Statement of Cash Flows

for the year ended 30 June 2022

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$'000	\$'000
<b>Receipts:</b>			
Rates - general & other		1,736	1,693
Fees & other charges		42	56
User charges		396	430
Investment receipts		18	18
Grants utilised for operating purposes		3,188	2,173
Reimbursements		2	3
Other revenues		1,170	528
<b>Payments:</b>			
Employee costs		(1,118)	(1,238)
Materials, contracts & other expenses		(2,782)	(2,947)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>2,652</b>	<b>716</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts:</b>			
Amounts specifically for new or upgraded assets		-	906
Sale of replaced assets		339	247
Sale of surplus assets		-	7
Sale of real estate developments		14	71
<b>Payments:</b>			
Expenditure on renewal/replacement of assets		(2,856)	(2,590)
Expenditure on new/upgraded assets		-	(427)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,503)</b>	<b>(1,786)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>149</b>	<b>(1,070)</b>
Cash & cash equivalents at beginning of period	10	<b>2,632</b>	3,702
<b>Cash &amp; cash equivalents at end of period</b>	10	<b>2,781</b>	2,632

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



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

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

**1 Basis of Preparation**

**1.1 Compliance with Australian Accounting Standards**

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 6 January 2022.

**1.2 Historical Cost Convention**

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

**1.3 Critical Accounting Estimates**

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

**1.4 Rounding**

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

**1.5 Covid-19**

The COVID-19 pandemic has impacted the 2021/22 financial statements. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

**2 The Local Government Reporting Entity**

Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 11 Railway Terrace, Karoonda SA 5307. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

**3 Income recognition**

**3.1 Revenue**

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

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

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

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

<b>Bring Forward Payment (3 instalments) of 2021-22 Financial Assistance Grants Paid June 2022</b>	<b>Bring Forward Payment (2 instalments) of 2021-22 Financial Assistance Grants Paid June 2021</b>	<b>Bring Forward Payment (2 instalments) of 2020-21 Financial Assistance Grants Paid May 2020</b>	<b>Bring Forward Payment (2 instalments) of 2020-21 Financial Assistance Grants Paid June 2019</b>
1,292,856	824,621	836,811	792,732

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

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

**3.2 Construction Contracts**

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

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

**4 Cash, Cash Equivalents and Other Financial Instruments**

**4.1 Cash, Cash Equivalent Assets**

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.

**4.2 Other Financial Instruments**

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 also form part of Note 12.



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

**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.

**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.

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

**6.2 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 in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

**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.

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Provisions**

**8.1 Employee Benefits**

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

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

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.

Superannuation:

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

**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.



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

**10 New and amended standards and interpretations**

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

*Amendments to AASB 16 Covid-19 Related Rent Concessions:*

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the consolidated financial statements of the Group.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 2 - INCOME**

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>RATES REVENUES</b>			
<u>General Rates</u>		1,551	1,491
Less: Mandatory rebates		(10)	(9)
Less: Discretionary rebates, remissions & write offs		(10)	(8)
		1,531	1,474
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		69	74
Waste collection		57	44
Community wastewater management systems		115	108
		241	226
<u>Other Charges</u>			
Penalties for late payment		16	14
		1,788	1,714
<b>STATUTORY CHARGES</b>			
Development Act fees		11	18
Town planning fees		16	19
Health & Septic Tank Inspection fees		-	1
Animal registration fees & fines		10	8
Other licences, fees, & fines		1	4
		38	50
<b>USER CHARGES</b>			
Cemetery/crematoria fees		4	3
Property Lease		16	18
Cabin Hire & Powered Site fees		70	53
Mallee Kids Child Care Centre		196	188
Sales - general		56	50
		342	312



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

<b>INVESTMENT INCOME</b>	<b>Notes</b>	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
Interest on investments:			
Local Government Finance Authority		<u>20</u>	<u>18</u>
		<u>20</u>	<u>18</u>
<b>REIMBURSEMENTS</b>			
Private works		<u>2</u>	<u>3</u>
		<u>2</u>	<u>3</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	147
Amount bequeathed		579	-
Rebates received		-	65
Sundry		<u>107</u>	<u>22</u>
		<u>686</u>	<u>234</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		-	906
Other grants, subsidies and contributions			
Other grants, subsidies and contributions		63	27
Untied - Financial Assistance Grant		2,066	1,533
Roads to Recovery		345	518
Special Local Roads		170	170
Drought Community Funding		100	400
Pest & Weed Control		-	685
FRRR		-	50
LRCI		877	423
BBRF		-	20
LG Youth Led Recovery		<u>-</u>	<u>50</u>
		<u>3,621</u>	<u>3,876</u>
		<u>3,621</u>	<u>4,782</u>

*The functions to which these grants relate are shown in Note 11.*

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 3 - EXPENSE**

	Notes	2022 \$'000	2021 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,160	1,134
Employee leave expense		208	174
Superannuation - defined contribution plan contributions	18	116	113
Superannuation - defined benefit plan contributions	18	2	2
Less: Capitalised and distributed costs		(355)	(146)
<b>Total Operating Employee Costs</b>		<b>1,131</b>	<b>1,277</b>
<b>Total Number of Employees</b>		<b>16</b>	<b>14</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		14	8
Elected members' expenses		73	96
Subtotal - Prescribed Expenses		<b>87</b>	<b>104</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		2,428	2,993
Materials		747	1,213
Energy		61	39
Legal Expenses		27	30
Levies paid to government - NRM levy		69	69
- Other Levies		46	37
Insurance		138	141
Other Expenses		585	467
Parts, accessories & consumables		424	433
Water		46	51
Less: Capitalised and Distributed Costs		(2,298)	(2,862)
Subtotal - Other Materials, Contracts & Expenses		<b>2,273</b>	<b>2,611</b>
		<b>2,361</b>	<b>2,715</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Structures		34	34
Stormwater Drainage		19	19
CWMS		62	62
Roads		983	978
Footpaths, Kerb & Gutter		31	29
Plant & Equipment		205	247
Furniture & Fittings		7	8
Buildings		160	171
Other Assets		97	47
		<b>1,599</b>	<b>1,594</b>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

	Notes	2022 \$'000	2021 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		339	247
Less: Carrying amount of assets sold		369	125
<b>Gain (Loss) on disposal</b>		<b>(30)</b>	<b>122</b>
<i>Assets surplus to requirements</i>			
Proceeds from disposal		-	7
Less: Carrying amount of assets sold		-	-
<b>Gain (Loss) on disposal</b>		<b>-</b>	<b>7</b>
<b>REAL ESTATE DEVELOPMENT ASSETS</b>			
Proceeds from disposal		14	71
Less: Carrying amount of assets sold		0	102
<b>Gain (Loss) on disposal</b>		<b>14</b>	<b>(31)</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<b>(16)</b>	<b>98</b>

**Note 5 - CURRENT ASSETS**

	Notes	2022 \$'000	2021 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		63	148
Deposits at Call		2,718	2,484
		<b>2,781</b>	<b>2,632</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		286	233
Accrued Revenues		2	1
Debtors - general		10	30
Other levels of Government		31	32
GST Recoupment		47	49
		<b>375</b>	<b>345</b>
<b>INVENTORIES</b>			
Stores & Materials		8	6
		<b>8</b>	<b>6</b>

**Note 6 - NON-CURRENT ASSETS**

<b>Inventories</b>			
Real Estate Developments		228	229
Capital Works-in-Progress		632	428
		<b>860</b>	<b>657</b>



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

		2021 \$'000				2022 \$'000			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land - Other	2	1,140	-	-	1,140	1,140	-	-	1,140
Structures	3	848	109	(385)	572	848	109	(419)	538
Stormwater Drainage	3	612	452	(130)	934	612	452	(148)	915
CWMS	3	4,832	-	(1,671)	3,161	4,831	-	(1,732)	3,099
Roads	3	46,012	1,276	(17,954)	29,335	44,330	3,363	(17,398)	30,295
Footpaths, Kerb & Gutter	3	1,746	140	(650)	1,236	1,747	140	(682)	1,205
Plant & Equipment	3	-	2,882	(1,518)	1,364	-	3,041	(1,563)	1,477
Furniture & Fittings	3	55	-	(29)	26	-	55	(35)	19
Buildings	2	9,201	612	(4,448)	5,366	8,842	612	(4,433)	5,022
Other Assets	3	-	1,663	(249)	1,414	-	1,869	(346)	1,523
<b>Total IPP&amp;E</b>		64,446	7,134	(27,034)	44,548	62,350	9,641	(26,756)	45,233
	<b>Comparatives</b>	61,782	5,503	(25,242)	42,043	64,446	7,134	(27,034)	44,548

*This Note continues on the following pages.*

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

	2021	Carrying Amounts Movement During the Year							2022	
	\$'000	\$'000							\$'000	
	Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
New / Upgrade		Renewals	In				Out			
Land - Other	1,140	-	-	-	-	-	-	-	-	1,140
Structures	572	-	-	-	(34)	-	-	-	-	538
Stormwater Drainage	934	-	-	-	(19)	-	-	-	-	915
CWMS	3,161	-	-	-	(62)	-	-	-	-	3,099
Roads	29,335	-	2,087	(144)	(983)	-	-	-	-	30,295
Footpaths, Kerb & Gutter	1,236	-	-	-	(31)	-	-	-	-	1,205
Plant & Equipment	1,364	-	360	(42)	(205)	-	-	-	-	1,477
Furniture & Fittings	26	-	-	-	(7)	-	-	-	-	19
Buildings	5,366	-	-	(184)	(160)	-	-	-	-	5,022
Other Assets	1,414	-	206	-	(97)	-	-	-	-	1,523
<b>Total IPP&amp;E</b>	<b>44,548</b>	-	<b>2,653</b>	<b>(370)</b>	<b>(1,598)</b>	-	-	-	-	<b>45,233</b>
<b>Comparatives</b>	<b>42,043</b>	<b>420</b>	<b>2,162</b>	<b>(125)</b>	<b>(1,592)</b>	-	-	-	<b>1,640</b>	<b>44,548</b>

*This note continues on the following pages.*

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

**Valuation of Assets**

**General Valuation Principles**

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

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

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

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

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

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

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

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

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

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

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



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

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

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

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

**Land**

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.

Land holdings were revalued on 1 July 2018 to reflect the site value as determined by the Valuer General.

**Buildings & Other Structures**

A comprehensive revaluation of Council's buildings and other structures was undertaken by AssetVal. These were revalued as at 30 June 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

**Stormwater**

Stormwater infrastructure was valued by Council officers as at 30 June 2012. All acquisitions made after the respective dates of valuation are recorded at cost.

**Roads**

A comprehensive revaluation of Council's sealed and unsealed road networks was undertaken by Council staff with assistance from Tonkin's Consulting in relation to assessing road condition and remaining useful lives. The valuation was as at 1 July 2019.

**Community Wastewater Management System (CWMS)**

A comprehensive revaluation of Council's CWMS was undertaken by AssetVal. The valuation was as at 30 June 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

**Footpath, Kerb & Gutter**

Footpath, Kerb & Gutter infrastructure were valued and depreciated at current replacement cost during the reporting period ended 30 June 2016 by Mr Rick Gaylor of Gaylor Professional Services. All acquisitions made after the respective dates of valuation are recorded at cost.

**Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

**All other assets**

These assets are recognised on the cost basis.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 8 - LIABILITIES**

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>		<b>\$'000</b>		<b>\$'000</b>	
Goods & Services		235	-	108	-
Payments received in advance		-	-	436	-
Accrued expenses - other		-	-	15	-
Aged Care Facility Deposits		75	-	75	-
Other levels of Government		21	-	34	-
GST Payable		3	-	1	-
		<b>334</b>	<b>-</b>	<b>669</b>	<b>-</b>
<i>Amounts included in trade &amp; other payables that are not expected to be settled within 12 months of reporting date.</i>		<b>75</b>		<b>75</b>	

**PROVISIONS**

Employee entitlements (including oncosts)	<b>194</b>	<b>23</b>	194	10
	<b>194</b>	<b>23</b>	<b>194</b>	<b>10</b>

***Movements in Provisions - 2022 year only***  
*(current & non-current)*

	<b>Leave &amp; Other Provision</b>
Opening Balance	204
Additional amounts recognised	13
Closing Balance	<b>217</b>



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1/7/2021	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2022
<b>Notes</b>	\$'000	\$'000	\$'000	\$'000
Land - Other	611	-	-	611
Structures	590	-	-	590
Stormwater	301	-	-	301
CWMS	2,871	-	-	2,871
Roads	19,190	-	-	19,190
Footpath Kerb & Gutter	1,123	-	-	1,123
Plant & Equipment	726	-	-	726
Furniture & Fittings	30	-	-	30
Buildings	4,192	-	-	4,192
Other Assets	339	-	-	339
<b>TOTAL</b>	<b>29,973</b>	<b>-</b>	<b>-</b>	<b>29,973</b>
<b>Comparatives</b>	<b>28,333</b>	<b>1,640</b>	<b>-</b>	<b>29,973</b>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**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	2022 \$'000	2021 \$'000
Total cash & equivalent assets	5	2,781	2,632
Balances per Cash Flow Statement		<u>2,781</u>	<u>2,632</u>

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

Net Surplus (Deficit)		1,391	1,627
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,599	1,594
Net increase (decrease) in unpaid employee benefits		13	39
Grants for capital acquisitions treated as Investing Activity		-	(906)
Net (Gain) Loss on Disposals		16	(98)
		<u>3,019</u>	<u>2,256</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(33)	(57)
Net (increase) decrease in inventories		(2)	6
Net increase (decrease) in trade & other payables		(332)	(1,489)
<b>Net Cash provided by (or used in) operations</b>		<u>2,652</u>	<u>716</u>

**(c) Financing Arrangements**

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

Corporate Credit Cards	10,000	10,000
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

Note 11 - FUNCTIONS

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

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Council Administration</b>	<b>4,078</b>	3,751	<b>1,193</b>	1,279	<b>2,885</b>	2,473	<b>1,085</b>	924	<b>5,083</b>	4,943
<b>Business &amp; Economic Development</b>	<b>263</b>	267	<b>280</b>	310	<b>(17)</b>	(43)	-	-	<b>3,311</b>	3,219
<b>Community Support/Amenities</b>	<b>88</b>	89	<b>223</b>	246	<b>(136)</b>	(157)	<b>1,756</b>	2,669	<b>747</b>	726
<b>Environment</b>	<b>145</b>	147	<b>328</b>	363	<b>(184)</b>	(216)	-	-	-	-
<b>Health</b>	<b>2</b>	2	<b>6</b>	7	<b>(4)</b>	(5)	-	-	-	-
<b>Public Order &amp; Safety</b>	<b>2</b>	2	<b>10</b>	11	<b>(8)</b>	(9)	-	-	-	-
<b>Recreation &amp; Culture</b>	<b>65</b>	66	<b>382</b>	421	<b>(316)</b>	(355)	-	-	<b>399</b>	388
<b>Regulatory Services</b>	<b>47</b>	47	<b>79</b>	87	<b>(32)</b>	(40)	-	-	-	-
<b>Transport</b>	<b>1,763</b>	1,788	<b>2,289</b>	2,527	<b>(526)</b>	(739)	<b>782</b>	1,189	<b>37,776</b>	37,025
<b>Plant Depot &amp; Other Purposes</b>	<b>46</b>	48	<b>302</b>	333	<b>(255)</b>	(285)			<b>1,942</b>	1,888
<b><u>TOTALS</u></b>	<b>6,499</b>	6,207	<b>5,092</b>	5,584	<b>1,407</b>	624	<b>3,622</b>	4,782	<b>49,257</b>	48,189



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

The activities relating to Council functions are as follows:

**Business Undertakings**

Caravan Park, Development of Land for Resale, Private Works & Sewerage/CWMS.

**Council Administration**

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, I GGC – General

**Business & Economic Development**

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

**Community Services**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Assistance, Other Community Support, School Community Library, Community Amenities, Cemeteries, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**Environment**

Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Waste Disposal Facility, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Landscape SA Levy and Other Environment.

**Recreation & Culture**

Parks and Gardens, Ovals, Playgrounds, Sports Facilities – Indoor, Sports Facilities – Outdoor, Community access to the School Swimming Pool, Pioneer Park and Community Halls. School Community Library Services, Heritage, Museums and Other Cultural Services.

**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**

Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Cleaning of the Streets.

**Plant, Depot & Other Purposes**

Grants Commission Road Grant, Interest Received, Donations and Other.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 12 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

**Bank, Deposits at Call, Short  
Term Deposits**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

**Terms & conditions:** Deposits are returning fixed interest rates between 1% and 2% (2021: 0.25% and 0.5%).

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

**Receivables - Rates & Associated**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Receivables - Fees & other  
charges**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

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

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Receivables - other levels of  
government**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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

**Carrying amount:** approximates fair value.

**Receivables - Retirement Home**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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

**Carrying amount:** approximates fair value (after deduction of any allowance).

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**

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

**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 - Retirement Home Contributions**

**Accounting Policy:** To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

**Terms & conditions:** Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

**Carrying amount:** approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.

**Liquidity Analysis**

2022	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial Assets</u></b>					
Cash & Equivalents	2,781	-	-	2,781	2,781
Receivables	375	-	-	375	375
<b>Total</b>	<b>3,156</b>	<b>-</b>	<b>-</b>	<b>3,156</b>	<b>3,156</b>
<b><u>Financial Liabilities</u></b>					
Payables	334	-	-	334	334
<b>Total</b>	<b>334</b>	<b>-</b>	<b>-</b>	<b>334</b>	<b>334</b>
2021	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial Assets</u></b>					
Cash & Equivalents	2,632	-	-	2,632	2,632
Receivables	345	-	-	345	345
<b>Total</b>	<b>2,977</b>	<b>-</b>	<b>-</b>	<b>2,977</b>	<b>2,977</b>
<b><u>Financial Liabilities</u></b>					
Payables	669	-	-	669	669
<b>Total</b>	<b>669</b>	<b>-</b>	<b>-</b>	<b>669</b>	<b>669</b>



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 13 - COMMITMENTS FOR EXPENDITURE**

	<b>2022</b>	2021
<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	73	-
Waste Management Contracts	279	93
	352	93

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 14 - FINANCIAL INDICATORS**

	2022	2021	2020
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	21.6%	10.0%	-11.6%
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>	-40%	-34%	-37%
Total Operating Income			

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

***Adjustments to Ratios***

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

<b><i>Adjusted Operating Surplus Ratio</i></b>	15.6%	10.2%	-12.7%
<b><i>Adjusted Net Financial Liabilities Ratio</i></b>	-22%	-21%	-19%

**Asset Renewal Funding Ratio**

<u>Outlays on Existing Assets</u>	95%	134%	69%
Asset Renewals - IAMP			

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 15 - UNIFORM PRESENTATION OF FINANCES**

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

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

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

	<b>2022</b>		<b>2021</b>
	<b>\$'000</b>		<b>\$'000</b>
Income	<b>6,499</b>		6,207
Expenses	<b>(5,092)</b>		(5,584)
<b>Operating Surplus / (Deficit)</b>	<b>1,407</b>		623
 <b>Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	<b>(2,856)</b>		(2,590)
Add back Depreciation, Amortisation and Impairment	<b>1,599</b>		1,594
Proceeds from Sale of Replaced Assets	<b>339</b>		247
	<b>(918)</b>		(749)
 <b>Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	-		(427)
Amounts received specifically for New and Upgraded Assets	-		906
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<b>14</b>		78
	<b>14</b>		558
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>503</b>		432

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 16 – SUPERANNUATION**

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.5% in 2020-21; 10.0% in 2021-22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020-21) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2022. 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.



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 17 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**1. LAND UNDER ROADS**

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

**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 a deductible "insurance excess", 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 does not hold any bank guarantees

**4. LEGAL EXPENSES**

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 18 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 10 persons were paid the following total compensation:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Salaries, allowances & other short term benefits	<b>551</b>	457
<b>TOTAL</b>	<b>551</b>	457

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

No amounts were received by or from Council's Key Management Personnel during the 2021-22 Financial Year in any of Council's operating activities.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 19 - CHANGE IN ACCOUNTING POLICY - PRIOR YEAR RESTATEMENTS**

In consultation with the Auditors, Council has decided to amend the accounting treatment of the brought forward financial assistance grant payments as listed below from 2019 to 2022.

Whilst the previous disclosure format satisfied the intent of the relevant accounting standards it has been agreed with the Auditors that it did not actually satisfy the specific requirements of the relevant accounting standard, accordingly the changes below have been built into the 2020-21 comparatives. Please refer to note 1 - Significant Accounting Policies for further information.

Area of Financial Statement	Previous 2020-21	Amended 2020-21
<i>Statement of Comprehensive Income:</i>		
Grants, subsidies and contributions	3,888	3,876
Total Income	6,219	6,207
OPERATING SURPLUS / (DEFICIT)	640	623
TOTAL COMPREHENSIVE INCOME	3,284	3,266
<i>Statement of Financial Position:</i>		
Trade & other payables	1,494	669
Total Current Liabilities	1,688	863
TOTAL EQUITY	46,496	47,315
<i>Note 8 - LIABILITIES:</i>		
Payments received in advance	1,261	436
<i>Note 11 - FUNCTIONS:</i>		
Council Administration Income	3,764	3,751
Council Administration Grants	936	924
<i>Note 12 - FINANCIAL INSTRUMENTS:</i>		
Financial Liabilities - Payables	1,479	669
<i>Note 14 - FINANCIAL INDICATORS 2020-21:</i>		
Operating Surplus Ratio	10.3%	10.0%
Net Financial Liabilities Ratio	-21%	-34%
Adjusted Operating Surplus Ratio	NA	10.2%
Adjusted Net Financial Liabilities Ratio	NA	-21%
<hr/>		
<i>Note 14 - FINANCIAL INDICATORS 2019-20:</i>		
Operating Surplus Ratio	-12.7%	-11.6%
Net Financial Liabilities Ratio	-19%	-37%
Adjusted Operating Surplus Ratio	NA	-12.7%
Adjusted Net Financial Liabilities Ratio	NA	-19%

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF KAROONDA EAST MURRAY**

### **Opinion**

We have audited the accompanying financial report of the District Council of Karoonda East Murray, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the District Council of Karoonda East Murray as of 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

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

In preparing the financial report, management is responsible for assessing the entity'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 entity'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 an 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID PAPA  
PARTNER

Dated at Adelaide this 2<sup>nd</sup> day of November 2022

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## **INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE DISTRICT COUNCIL OF KAROONDA EAST MURRAY**

### **Opinion**

We have audited the compliance of the District Council of Karoonda East Murray (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation 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 2021 to 30 June 2022 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2021 to 30 June 2022.

### **Limitation on Use**

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

### **Limitations of Controls**

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

An assurance engagement on internal 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.

### **Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

## **Our Responsibility**

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, 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 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal 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 internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

## **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID PAPA  
PARTNER

Dated at Adelaide this 2<sup>nd</sup> day of November 2022

**District Council of Karoonda East Murray**  
**Annual Financial Statements**  
**for the year ended 30 June 2022**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Karoonda East Murray for the year ended 30 June 2022, the Council's Auditor, Bentleys SA/NT, 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*.



**Martin Borgas**  
**CHIEF EXECUTIVE OFFICER**



**Tim Muhlhausler**  
**PRESIDING MEMBER AUDIT COMMITTEE**

Date: 11/10/2022



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**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of District Council of Karoonda East Murray for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.


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

**Bentleys SA Audit Partnership**



David Papa  
Partner

**Dated at Adelaide this 10<sup>th</sup> day of October 2022.**



21/22

MURRAYLANDS & RIVERLAND LOCAL GOVERNMENT ASSOCIATION

# **ANNUAL REPORT**

# Murraylands and Riverland Local Government Association



## Constituent Councils



## Regional Partners



Government of South Australia  
Department of Primary Industries  
and Regions



## CONTENTS

ABOUT THE REGION .....	3
PRESIDENT'S REPORT .....	4
MRLGA Board and Committees.....	6
MRLGA Structure .....	9
MRLGA Activity .....	9
MRLGA Board: .....	9
SA Regional Organisation of Councils .....	10
CEO Network .....	10
Regional Transport and Assets (RTA) Committee.....	10
Regional Public Health and Wellbeing Committee .....	11
Water Position Working Group.....	11
Regional LGA's, Chief Executive Officers.....	12
Murraylands and Riverland Plan, Steering Committee .....	12
Government Engagement and Advocacy .....	12
External Service Agreements.....	13
2021 / 2022 Audit .....	14





# ABOUT THE REGION

 <p><b>36,213 sq kilometres</b></p> <p>Nearly half the size of Ireland</p>	 <p><b>8 Major towns</b></p> <p>Murray Bridge, Mannum, Renmark, Berri, Barmera, Loxton, Taillem Bend and Waikerie</p>	 <p><b>73,034</b></p> <p>People live and work in the region</p> <p>(ABS, 2021)</p>
 <p><b>45 years</b></p> <p>Median age</p> <p>(ABS, 2020)</p>	 <p><b>32%</b></p> <p>Of the population is over the age of 60</p> <p>(ABS, 2021)</p>	 <p><b>6,518</b></p> <p>Local businesses</p> <p>(ABS, 2021)</p>
 <p><b>32,301</b></p> <p>Local jobs</p> <p>(NIEIR, 2021)</p>	 <p><b>Coorong</b></p> <p>Home to the Coorong -RAMSAR listed wetland</p>	 <p><b>\$4.232 billion</b></p> <p>Gross Regional Product</p> <p>(NIEIR, 2021)</p>
 <p><b>1 in 5</b></p> <p>Jobs rely on primary production</p> <p>(ABS, 2021)</p>	 <p><b>71 %</b></p> <p>State's wine grape production comes from the Riverland</p> <p>(Riverland Wine, 2022)</p>	 <p><b>First Nations</b></p> <p>Connection to the land dating back nearly 30,000 years</p> <p>(Westell, et al., 2020)</p>
 <p><b>20 %</b></p> <p>Of Australia's commercial citrus industry from the Riverland</p> <p>(Citrus Australia, 2022)</p>	 <p><b>66 %</b></p> <p>Of the region's land use is for agricultural production</p> <p>(Murraylands and Riverland Landscape Board, 2021)</p>	 <p><b>\$374 million</b></p> <p>Spent by visitors to the region per annum</p> <p>(Murraylands and Riverland Landscape Board, 2021)</p>
 <p><b>\$1.2 billion</b></p> <p>Estimated gross value of irrigated production for the region</p> <p>(DEW, 2019)</p>	 <p><b>\$400 million</b></p> <p>Estimated value of the grain industry (including dryland, irrigated and value-add operations)</p>	 <p><b>Nearly 5%</b></p> <p>Contribution of the region's agriculture, forestry, and fishing exports to Australia</p> <p>(ABS, 2020)</p>

# PRESIDENT'S REPORT



Mayor Peter Hunt

Murraylands and Riverland Local Government Association, as a Regional Subsidiary of our constituent councils, has continued to deliver in 2021/22. As President, it is a privilege to witness the coordination and facilitation of our councils and the growing maturity of the collaboration that is occurring.

A significant portion of the work includes the bringing together of the right members of staff from each of our councils and leveraging their contribution to the committees of the association. Through the coalescing of the experience and expertise, the committees have been able to act upon the many plans and strategies we have as an Association. Working with purpose to deliver these strategies ensures that the documents have a life beyond mere compilation. This provides the foundation by which we can collectively pursue operational improvement; either through creation of value or achievement of efficiency.

By way of example, seven of the eight constituent councils came together, to develop one of the initiatives in the 2021-26 Waste and Resource Recovery, and participated in a joint procurement of waste services. Five of the councils sought a full suite of services in alignment to the strategy, while the remaining councils sought components thereof. An anticipated result of this work is a baseline saving in the order of \$5million to \$7million over the minimum life of the contracts.

Moreover, we've seen collective efforts at Local Government level influence other private and public investment in the region. On that note, we welcome the announcement that Peats Soil will receive funding from the Australian Government to build a composting facility in the Riverland.

In addition to the waste and resource recovery example, the Regional Transport and Asset Committee has continued to guide the development of the Regional Road Hierarchy Plan and prioritise roads for funding, predominantly through the Special Local Roads Program, via the application of processes identified in the 2030 Murray and Mallee Road Transport Plan. A highlight of this work was the \$3.7million funding received by councils to progress work on Regionally Significant Roads in 2021/22.

While these successes provide impetus for continued collaboration, there is good reason to lift our sights and look for other opportunities. Some councils already use the discipline and procedures developed through the 2030 Regional Transport Plan to pursue other funding opportunities to improve their road networks. This is to be encouraged and, indeed, is the prerogative of each of the councils. Together, however, there is opportunity to take the information contained in our plans to advocate for network improvements across the region.

The Regional Road Hierarchy Plan provides a classification system which considers the interaction of local government roads with the main arterial routes managed and owned by the state and federal governments. The Hierarchy has now been advanced to include road construction and maintenance standards and has been captured in a cloud-based Geographic Information System. As the project continues to develop, a framework for the strategic management of our roads is beginning to unfold and will undoubtedly prove to be a valuable tool for future planning and advocacy.

The Public Health and Wellbeing Committee has been busy throughout 2021/22 too. The fruits of its toil have resulted in the 2022-26 Murraylands and Riverland Public Health and Wellbeing Plan being brought into operation. It's an obligation under the Public Health Act 2011, that councils or groups of councils have a current Public Health Plan. The Murraylands and Riverland were the first region to develop

a Public Health Plan and bring it to operation in 2013. The review process for the current iteration of the Plan has worked through the complexity of meeting obligations under the Act and serving the community by focusing on the role of local government.

The MRLGA CEO Network continues to oversee and provided strategic input into the operations of the Association. In addition to the guidance offered to the activities listed above, the CEO Network have also proved to be a valuable resource in helping to navigate negotiations with the State Government on the development of region plans as prescribed in the Planning, Development and Infrastructure Act 2016. It is pleasing to see that the State Planning Commission is now preparing to develop the plans and has established a Local Government Regional Planning Committee for which both Michael Sedgman and David Beaton are members.

At a political level, the Board, through the Water Position Working Group, have strategically considered the importance of water as a natural resource to the region. With the Murray Darling Basin Plan subject to formal review in 2026, now is the time to start to build a platform that will allow the Association to speak to the matter from the perspective of people and place. The Board is now in a position where it can consider a draft for release to targeted consultation. I thank Cr Andrew Kassebaum, Cr Peter Raison, Cr Melissa Rebbeck and Bridget Mather for their commitment to guiding the project.

In closing, I sincerely thank all constituent councils and MRLGA Board Members for the opportunity afforded to me in being your President. The work and service undertaken by our CEO for the Association as in the past, has been highly valued, and I wish Tim all the very best as he takes time off with his family before pursuing other opportunities.

With that in mind, it is with great pleasure that I welcome Carron McLeod to the role. Carron will bring a wealth of local government experience to the Association, having most recently worked at Bayside City Council in Victoria overseeing Capital Works.

I particularly want to also thank Deputy President, Mayor Caroline Phillips, who, in her first year in the role, has seamlessly taken up the mantle of representing the region through involvement in the SA Regional Organisation of Councils. In my absence, Mayor Phillips has also presided over two meetings of the Association in the last 12 months. It's great reassurance knowing that support is nearby when you need it.

As I look to the next 12-18 months, I see good cause for our councils to continue to support the MRLGA. With new state and federal governments elected, it is important that local government demonstrate a coordinated and cohesive approach to advocating for their communities and prosecuting a case for a strategic approach to regional development.

The final acknowledgement goes to those Mayors and Councilors that have served our communities over the last term and in a number of cases many terms of local government. I know that some do not intend to stand for reelection and I want to thank them sincerely for the contributions they have given to public service across our region. There's a lot of work that goes unseen in these roles, plenty of expectation and a responsibility to carry out our duties in the interest of all, without partiality. This of course is a privilege, but it's important to note that it doesn't always come without sacrifice.

# MRLGA Board and Committees

## Board Members

Berri Barmera Council (BBC)	Mayor Peter Hunt (President)
Coorong District Council (CDC)	Mayor Paul Simmons
District Council of Karoonda East Murray (DCKEM)	Mayor Caroline Phillips (Deputy President)
District Council of Loxton Waikerie (DCLW)	Mayor Leon Stasinowsky
Mid Murray Council (MMC)	Mayor Dave Burgess
Renmark Paringa Council (RPC)	Mayor Neil Martinson
Rural City of Murray Bridge (RCMB)	Mayor Brenton Lewis
Southern Mallee District Council (SMDC)	Mayor Jeffery Nickols

## Deputy Delegates (Proxy Members)

Berri Barmera Council (BBC)	Cr Ella Winnall, Deputy Mayor
Coorong District Council (CDC)	Cr Jeff Arthur, Deputy Mayor
District Council of Loxton Waikerie (DCLW)	Cr Trevor Norton, Deputy Mayor
District Council Karoonda East Murray (DCKEM)	Cr Daryl Sparks, Deputy Mayor
Mid Murray Council (MMC)	Cr Simone Bailey, Deputy Mayor
Renmark Paringa Council (RPC)	Cr Henry De Rieu, Deputy Mayor
Rural City of Murray Bridge (RCMB)	Cr Wayne Thorley, Deputy Mayor
Southern Mallee District Council (SMDC)	Cr Paul Ireland, Deputy Mayor

## South Australian Regional Organisation of Councils (SAROC) Representatives

Berri Barmera Council	Mayor Peter Hunt (President)
District Council of Karoonda East Murray	Mayor Caroline Phillips (Deputy President)

## CEO Network

Berri Barmera Council (BBC)	Dylan Strong
Coorong District Council (CDC)	Bridget Mather
District Council of Loxton Waikerie (DCLW)	David Beaton
District Council of Karoonda East Murray (DCKEM)	Martin Borgas
Mid Murray Council (MMC)	Ben Scales
Renmark Paringa Council (RPC)	Tony Siviour
Rural City of Murray Bridge (RCMB)	Michael Sedgman
Southern Mallee District Council (SMDC)	Matthew Sherman
Murraylands and Riverland Local Government Association (MRLGA)	Carron McLeod
Regional Development Australia, Murraylands and Riverland (RDAMR, Guest)	Ben Fee

## Regional Transport and Asset Committee

RPC	Mayor Neil Martinson	Chair, MRLGA Board Member
BBC	Mayor Peter Hunt	Ex officio, MRLGA President
BBC	David Pluckhahn	Manager Infrastructure Services
BBC	Ted Perera	Assets Management Engineer
CDC	Matt James	Director Infrastructure & Assets
CDC	James Clarke	Manager Construction & Maintenance
DCLW	Greg Perry	Director of Infrastructure Services
DCLW	Domenic Perre	Coordinator Capital Projects and Roads
DCKEM	Martin Borgas	CEO
DCKEM	Calvin Hoye	General Manager, Infrastructure
MMC	David Hassett	Director Infrastructure & Field Services



MMC	Russell Pilbeam	Asset Management Coordinator
RPC	Stephen Whitehead	Director Infrastructure & Environmental Services
RPC	Tarik Wolf	Manager Infrastructure Planning
RCMB	Heather Barclay	General Manager Assets & Infrastructure
RCMB	Jason Vaudin	Manager City Infrastructure
SMDC	Matthew Sherman	CEO
MRLGA	Carron McLeod	CEO
RDAMR	Jason Bielby	Regional Development Manager

### Regional Public Health and Wellbeing Committee

MRLGA	Mayor Hunt	President
MRLGA	Carron McLeod	Chief Executive Officer
BBC	Andrew Haigh (Deputy Chair)	Manager Community Development
CDC	Cr Sharon Bland	Councillor
CDC	Myles Somers (Chair)	Director Community and Corporate Services
CDC	Kellie Jaensch	Snr Community & Tourism Development Officer
DCKEM	Katrina Fromm	Deputy Chief Executive Officer
DCLW	Cheryle Pedler	Manager Environmental Services
MMC	Jake McVicar	Director Environmental Services
MMC	Caroline Thomas	Environmental Health Officer
RPC	Stephanie Brookes	Community Development Team Leader
RPC	Rebecca Hunt	Environmental Health Officer
RCMB	Reginald Budarick	Manager Community Services
RCMB	Geoff Parsons	Manager Development & Regulation
SMDC	Shilo Wyatt	Manager Property & Development Services

### Water Paper Working Group

MRLGA	Mayor Hunt	President
MRLGA	Carron McLeod	Chief Executive Officer
MDA Region 5	Cr Peter Raison	Region 5, Mid Murray Council
MDA Region 5	Cr Andrew Kassebaum (Chair)	Chair Region 5, Berri Barmera Council
MDA Region 5 - Proxy	Cr Peter Walker	Member Region 5, DCLW
MDA Region 6	Cr Melissa Rebbeck	Chair Region 6, Alexandrina Council
MDA Region 6	Bridget Mather	Exec Member Region 6, CDC
MDA Region 6 - Proxy	Tracey Strugnell	Coorong District Council
Murray Darling Ass.	Mark Lamb	Chief Executive Officer

### Local Government Regional Planning Committee Representatives

Murraylands Council	Michael Sedgman	Chief Executive Officer, Rural City of Murray Bridge
Riverland Council	David Beaton	Chief Executive Officer, District Council Loxton Waikerie

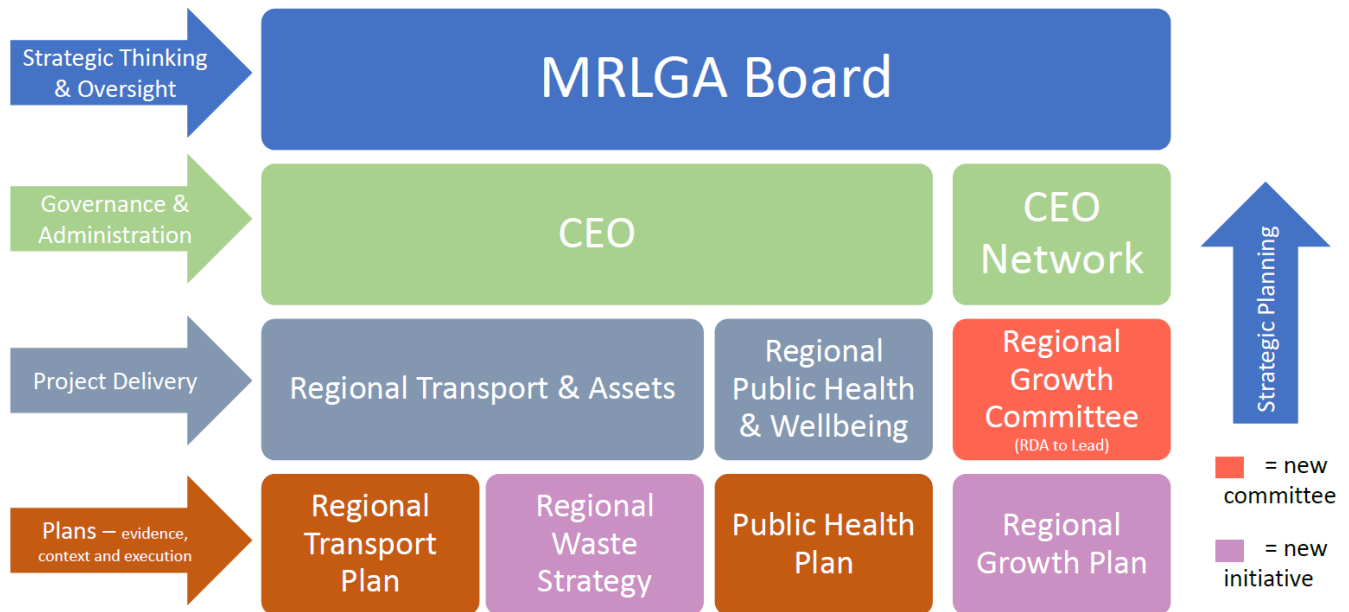
### Zone Emergency Management

Murraylands Council	Michael Sedgman	Chief Executive Officer, Rural City of Murray Bridge
Riverland Council	David Beaton	Chief Executive Officer, District Council of Loxton Waikerie

### Murraylands Riverland Plan, Steering Committee Representatives

RDA MR	Ben Fee	CEO
Landscape Board MR	Andrew Meddle	CEO
MRLGA	Tim Smyth	CEO
Murraylands Council	Michael Sedgman	CEO, Rural City Murray Bridge
Riverland Council	David Beaton	CEO, District Council Loxton Waikerie

# MRLGA Structure



# MRLGA Activity

## MRLGA Board:

The MRLGA Board met quarterly. Membership of the Board is filled by the Principal Members (Mayor) of each Constituent Council. Meetings of the Board were held on:

1. Friday 13 August 2021
2. Friday, 22 October 2021
3. Friday, 25 February 2022
4. Friday, 6 May 2022

In addition to the general oversight of the Associations activities the MRLGA Board:

- Endorsed the 2020-2025 MRLGA Strategic Plan
- Received \$42,500 grant to support the development of a Water Position Paper. The Project Working Group developed a draft Water Position Paper and Regional Impact Statement as a strategic advocacy tool.
- Endorsed and completed joint-tendering for waste services in accordance with the Regional Waste and Resource Recovery Strategy.
- Adopted the Regional Public Health and Wellbeing Plan for the region.

The meetings of the Board also provide a forum for regular updates from:

- LGA SA administration
- Regional Development, Murraylands and Riverland
- PIRSA
- Landscape Board, Murraylands and Riverland
- Members of Parliament

## **SA Regional Organisation of Councils**

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that meets bimonthly to focus on key issues affecting country Councils.

MRLGA representatives at SAROC in 2021/22 were President, Mayor Peter Hunt and Deputy President Mayor Caroline Phillips.

MRLGA supports SAROC by attending meetings, submitting items of business and preparing regional reports. Key activities it supported SAROC included:

- Regional Housing Policy Toolkit, led by Spence Gulf Cities
- Regional homelessness and housing affordability
- Hoarding and squalor
- Regional Health Workforce Toolkit
- SA Regional Road Priority Project, Regional Local Road (Mapping and Priorities)
- Fair rating of electricity generators
- Work Health and Safety Regulations altered and the implications on (mining) Borrow Pits
- Increasing South Australia's Influence at the National General Assembly
- South Australian Local Government Grants Commission – Distribution Formula
- A Community Wellbeing Alliance pilot program

## **CEO Network**

The MRLGA CEO Network is established as a strategic advisory group to the MRLGA Board. As the name suggests it is its membership is the CEOs of the eight constituent councils. Meetings of the CEO Network were held on:

1. Monday, 20 September 2021
2. Monday, 22 November 2021
3. Monday, 14 February 2022
4. Wednesday 20 April 2022
5. Wednesday, 15 June 2021

In addition to providing guidance on project activities and operations, the CEO Network:

- Endorsed a letter being prepared and sent to the Minister for Planning and Local Government informing that the region is not yet in a position to form a Joint Planning Board (JPB) but is willing to explore options.
- Ray Jackson, CFS Regional Commander Region 3, presented on recent fire experience, including the recovery process, building resilience, impacts to business and would seek representations from councils to sit on the Bushfire Management Committee.
- Council's future subscription models
- A Service Provision Review
- Murraylands and Riverland Plan (in response to Future Drought Fund and funding from PIRSA)
- Provided guidance to the combined Waste Services Tender and Contracts initiative
- Partnering with Landscape Board, MR to advocate for legislative changes which support Local Councils to respond to the issues and dangers caused by Motor Bikes on Roadsides.

## **Regional Transport and Assets (RTA) Committee**

MRLGA Regional Transport and Assets (RTA) Committee is a forum that brings together the Directors of Infrastructure, Assets and Environment as well as Works Managers from each of the 8 constituent councils. Meetings of the RTA Committee were held on:

1. Friday, 24 September 2021
2. Friday, 4 March 2022
3. Thursday 21 April 2022

Key activities of the committee included:

- A minor update to the 2030 Regional Transport Plan during FY 21/22 which included;
  - Update to the Regional Roads Action Plan which was endorsed in March 2022 by the RTA Committee
  - Update to the Roads Database Calculator which was endorsed in April 2022
  - Subsequent submission of six projects for SLRP funding in May 2022
- Enhancement of MRLGA Regional Roads GIS
  - Submitted in June 2022 (final presentation to be completed at next RTA meeting)
- Roads Construction and Maintenance Standards Update
  - Submitted in August 2022 but completed mostly in FY 21/22 (final presentation to be completed at next RTA meeting)
- Co-ordinated the application process for Councils to the Special Local Roads Program.

### **Regional Public Health and Wellbeing Committee**

The MRLGA Regional Public Health and Wellbeing Committee includes Directors, Managers, Environmental Health Officers, Community Development Managers and Planning Managers from each of the 8 constituent councils.

Meetings of the Committee were held on:

1. Wednesday, 7 July 2021
2. Thursday, 14 October 2022
3. Friday, 28 January 2022
4. Tuesday, 22 March 2022
5. Tuesday, 24 May 2022

Key activities of the committee included:

- Progressed Regional Public Health and Wellbeing Plan by:
  - Consultant presentation of Final Plan to committee October 2021
  - Plan submitted to the Chief Public Health Officer 29 October 2021 for endorsement (and was subsequently endorsed by CPHO on 31 January 2022).
  - Plan submitted for graphic design March 2022
  - Released Plan to Constituent Councils and Public June 2022.
- Public Health and Wellbeing Committee Strategy Workshop
  - MRLGA Public Health & Wellbeing Online Workshop was held in conjunction with Strategic Matters and Leanne Muffet.
  - The Committee assessed the workshop held on the 28 January 2022 to be a success and fulfilled the perceived regional outcomes. Due to the success of the workshop, the forum was not needed.
- Preparation began on section 52 (*Public Health Act 2011*) reports for the Deputy Chief Public Health Officer for submission in September 2022.

### **Water Position Working Group**

MRLGA successfully received a \$42,500 grant from Building Better Regions Fund (BBRF) in 21/22 to support the development of a water position paper. Jacobs Consulting were engaged to prepare the paper in response to stakeholder workshops, working group meetings, census data and specialist knowledge on the Murray Darling Basin.

Meetings with the Working Group were held in 20/21 as well as on 10 August 2021, 31 August 2021, 8 September 2021, 15 December 2021, 3 March 2022, 14 April 2022 and 18 May 2022 of 21/22. Stakeholder meetings were also held on 23 and 24 February 2022, 24 May 2022 and a Board presentation on 6 May 2022.

The paper intends to :

- Acknowledge the regions dependency on water, and begin to decipher the role Local Government can play in water advocacy and water management,



- Identify advocacy topics to support local and regional communities, industries, the environment, first nations and stakeholders,
- Identify opportunities if/when all levels of government can collaborate for the betterment of easier process' and less politicised environments
- Acknowledge the Murray Darling Basin Plan review will commence soon, and how the MLRGA and its constituent councils can prepare for the review
- Identify opportunities where Local Government can adopt best practice water management principles as well as plan for and respond to moments of flood and drought.

The document is accompanied by a Regional Impact Statement and will be finished in 22/23, albeit the document will be updated overtime as the Association continues to expand its water advocacy.

### **Regional LGA's, Chief Executive Officers**

The Regional LGA's Chief Executive Officers Management Group is an informal coalition of the Executive Officers of the Regional Local Government Associations. Meetings of the Management Group were held on:

1. Thursday, 8 July 2021
2. Monday, 6 September 2021
3. Tuesday, 8 February 2022
4. Thursday, 28 April 2022

Functions of the Management Group include:

- Provide input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Advocate on behalf of the regions and regional initiatives
- Share information and provide collegiate support
- Coordinate collaborative project activity

Key focus of the Management Group in 2020/21 were as follows:

- Special Local Roads Program
- Regional Waste Management
- Community Waste Water Management Schemes
- Regional Plans and Joint Planning Boards
- SA Coastal Alliance

### **Future Drought Fund**

#### **Murraylands and Riverland Plan, Steering Committee**

Partnership with RDA(MR) and Landscape Board MR

In 20/21 the preparation of the MR Plan begun. It was initiated and prioritised through the Regional Drought Resilience Planning Program and was funded through the Australian Government's Future Drought Fund and the Government of South Australia.

A partnership between Regional Development Australia, Murraylands and Riverland (RDAMR), Landscape Board, Murraylands and Riverland and Murraylands & Riverland Local Government Association formed to begin the preparation of a plan for the region, with RDAMR leading the process.

To support the direction of the plan, a Steering Committee was formed from representatives from each partner, PIRSA and community. This included the CEO of MRLGA, CEO of Rural City of Murray Bridge and CEO of District Council of Loxton Waikerie.

The Murraylands and Riverland (MR) Plan was finalised as draft in May 2022 and submitted to PIRSA and CSIRO for review.

It's envisaged the Plan will be endorsed in 22/23 and initiatives outlined in the document will be aligned to future funding opportunities and non funding opportunities to advance resilience in the region and it prepares for future drought.

### **Government Engagement and Advocacy**

The following engagement has occurred with Government

- Victorian Cross Border Commissioner – COVID-19 impacts,– Strategic Planning Consultation.
- Letter to Minister for Primary Industries and Regional Development re: Genetically Modified Crops.
- Native Vegetation Council – roadside native vegetation guidelines (MRLGA CEO Network & MRLGA RTA Committee)
- Department of Infrastructure and Transport - consultation on Rural Highway Corridors.

### **External Service Agreements**

MRLGA engaged in Service Agreements with Regional Development Australia (Murraylands and Riverland) during 21/22 for:

- Bookkeeping Services and
- Public Health and Wellbeing Co ordinating services.

# 2021 / 2022 Audit

Audit undertaken by Dean Newbery (ABN 30 164 612 890)

Financial Statements prepared by Creative Auditing (ABN 37 158 328 655)

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Dean Newbery  
ABN: 30 164 612 890

## INDEPENDENT AUDITOR'S REPORT

### To the members of the Murraylands and Riverland Local Government Association Authority Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Local Government Association (the Authority), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

#### Responsibility for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. The Board of Management's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management 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 Authority or to cease operations, or has no realistic alternative but to do so. The Board of Management of the Authority is responsible for overseeing the 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 Authority'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 the management'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 Authority'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 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**



**Samantha Creten**  
**Partner**

Signed on the 9<sup>th</sup> day of November 2022  
at 214 Melbourne Street, North Adelaide



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## Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Murraylands and Riverland Local Government Association for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 - *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Samantha Creten**

**Partner**

**DEAN NEWBERY**

**Dated this 9<sup>th</sup> day of November 2022**

**Murraylands and Riverland  
Local Government  
Association**

**General Purpose Financial Reports  
for the year ended 30 June 2022**

**Murraylands and Riverland Local Government Association**  
**Annual Financial Statements**  
**for the year ended 30 June 2022**

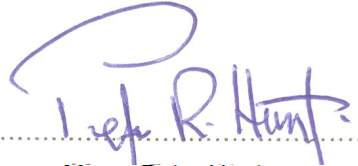
**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by the Association 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 Associations's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Association provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Association's accounting and other records.



.....  
Carron McLeod  
**CHIEF EXECUTIVE OFFICER**



.....  
Mayor Peter Hunt  
**CHAIRPERSON**

**Date:** 9 November 2022

**Murraylands and Riverland Local Government Association**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2022**

**Table of Contents**

	<b>Page</b>
<b>Association Certificate</b>	1
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position and Changes in Equity	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	
Note 2 - Income	
Note 3 - Expenses	
Note 4 - Current Assets	
Note 5 - Liabilities	
Note 6 - Reconciliation of Cash Flow Statement	
Note 7 - Financial Instruments	
Note 8 - Related Party Transactions	
<b>Audit Report - Financial Statements</b>	
<b>Association Certificate of Audit Independence</b>	
<b>Auditor Certificate of Audit Independence</b>	

**Murraylands and Riverland Local Government Association**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2022**

		2022	2021
	Notes	\$	\$
<b>INCOME</b>			
Council subscriptions	2	199,695	179,795
Grants, subsidies and contributions	2	82,783	115,242
Investment income	2	6,478	6,555
<b>Total Income</b>		<u>288,956</u>	<u>301,592</u>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	373,836	292,930
<b>Total Expenses</b>		<u>373,836</u>	<u>292,930</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(84,880)</u>	<u>8,662</u>
<b>Other Comprehensive Income</b>			
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(84,880)</u>	<u>8,662</u>

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



**Murraylands and Riverland Local Government Association**  
**Statement of Financial Position**  
**as at 30 June 2022**

<b>ASSETS</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>897,507</b>	1,030,339
Trade & other receivables	4	<b>30,071</b>	9,154
<b>Total Current Assets</b>		<b><u>927,578</u></b>	<u>1,039,493</u>
<b>Total Assets</b>		<b><u>927,578</u></b>	<u>1,039,493</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	5	<b>41,515</b>	68,550
<b>Total Current Liabilities</b>		<b><u>41,515</u></b>	<u>68,550</u>
<b>Total Liabilities</b>		<b><u>41,515</u></b>	<u>68,550</u>
<b>NET ASSETS</b>		<b><u>886,063</u></b>	<u>970,943</u>
<b>EQUITY</b>			
Accumulated Surplus		<b><u>886,063</u></b>	<u>970,943</u>
<b>TOTAL EQUITY</b>		<b><u>886,063</u></b>	<u>970,943</u>

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

**Murraylands and Riverland Local Government Association**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2022**

	Notes	Acc'd Surplus	TOTAL EQUITY
2022		\$	\$
Balance at end of previous reporting period		970,943	970,943
Restated opening balance		970,943	970,943
<b>Net Surplus / (Deficit) for Year</b>		<b>(84,880)</b>	<b>(84,880)</b>
<b>Balance at end of period</b>		<b>886,063</b>	<b>886,063</b>
<b>2021</b>			
Balance at end of previous reporting period		962,281	962,281
Restated opening balance		962,281	962,281
<b>Net Surplus / (Deficit) for Year</b>		<b>8,662</b>	<b>8,662</b>
<b>Balance at end of period</b>		<b>970,943</b>	<b>970,943</b>

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

# Murraylands and Riverland Local Government Association

## Statement of Cash Flows

for the year ended 30 June 2022

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
<b>Receipts:</b>			
Council subscriptions		170,922	179,795
Investment receipts		6,478	6,555
Grants utilised for operating purposes		82,783	126,673
Other revenues		7,856	-
<b>Payments:</b>			
Materials, contracts & other expenses		<u>(400,871)</u>	<u>(227,947)</u>
<b>Net Cash provided by (or used in) Operating Activities</b>		<u>(132,832)</u>	<u>85,076</u>
<b>Net Increase (Decrease) in cash held</b>		<u>(132,832)</u>	<u>85,076</u>
Cash & cash equivalents at beginning of period	6	<u>1,030,339</u>	<u>945,263</u>
<b>Cash &amp; cash equivalents at end of period</b>	6	<u>897,507</u>	<u>1,030,339</u>

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

# **Murraylands and Riverland Local Government Association**

## **Notes to and forming part of the Financial Statements**

### **for the year ended 30 June 2022**

#### **Note 1 - Significant Accounting Policies**

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

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian Accounting Standards**

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

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

##### **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 Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### **1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest dollar.

#### **2 The Local Government Reporting Entity**

The Association is a Regional Subsidiary under Section 43 and Schedule 2 of the SA Local Government Act 1999.

The Constituent Councils are:

Berri Barmera Council  
Coorong District Council  
District Council Loxton Waikerie  
District Council Karoonda East Murra  
Mid Murray Council  
Renmark Paringa Council  
Rural City of Murray Bridge  
Southern Mallee District Council

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

#### **3 Income recognition**

##### **3.1 Revenue**

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

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

# Murraylands and Riverland Local Government Association

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 1 - Significant Accounting Policies

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

#### 4 Cash, Cash Equivalents and Other Financial Instruments

##### 4.1 Cash, Cash Equivalent Assets

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

##### 4.2 Other Financial Instruments

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 also form part of Note 13.

#### 5 Payables

##### 5.1 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.

##### 5.2 Payments Received in Advance & Deposits

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

#### 6 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.

#### 7 New and amended standards and interpretations

The Association applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Association are listed below. The Association has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 2 - INCOME**

		2022	2021
	Notes	\$	\$
<b>COUNCIL SUBSCRIPTIONS</b>			
General subscriptions		199,695	179,795
		<b>199,695</b>	<b>179,795</b>
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		6,478	6,555
		<b>6,478</b>	<b>6,555</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions			
Regional Capacity Buildings		42,783	42,151
Riverland Social Indicators		-	38,091
M & R Regional Waste Strategy		-	35,000
Community Wellbeing Alliance		40,000	-
		<b>82,783</b>	<b>115,242</b>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		42,783	115,242
State government		40,000	-
		<b>82,783</b>	<b>115,242</b>

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 3 - EXPENSE**

		2022	2021
Notes	\$	\$	\$
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		3,200	3,100
Elected members' expenses		3,200	3,155
Subtotal - Prescribed Expenses		6,400	6,255
<u>Other Materials, Contracts &amp; Expenses</u>			
Accounting Software		2,347	4,079
Administration Support		7,433	11,473
CEO Succession Planning		21,793	-
Executive Officer Contract Services		121,780	119,296
Insurance		4,804	7,701
Meeting Expenses		2,140	1,122
Project Expenditure		202,719	142,058
Website Maintenance		4,116	-
Sundry		304	946
Subtotal - Other Materials, Contracts & Expenses		367,436	286,675
		<b>373,836</b>	<b>292,930</b>

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 4 - CURRENT ASSETS**

		2022	2021
<b>CASH &amp; EQUIVALENT ASSETS</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank		156,621	145,932
Deposits at Call		740,886	884,407
		<u>897,507</u>	<u>1,030,339</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		30,071	1,298
GST Recoupment		-	7,856
		<u>30,071</u>	<u>9,154</u>

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 5 - LIABILITIES**

	Notes	2022		2021	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		15		28,550	
Payments received in advance		40,000		40,000	
GST Payable		1,500		-	
		<u>41,515</u>	<u>-</u>	<u>68,550</u>	<u>-</u>

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 6 - 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:

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
Total cash & equivalent assets	4	<b>897,507</b>	1,030,339
Balances per Cash Flow Statement		<u><b>897,507</b></u>	<u>1,030,339</u>

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

Net Surplus (Deficit)		<u><b>(84,880)</b></u>	<u>8,662</u>
		<b>(84,880)</b>	8,662
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>(20,917)</b>	11,431
Net increase (decrease) in trade & other payables		<u><b>(27,035)</b></u>	<u>64,983</u>
<b>Net Cash provided by (or used in) operations</b>		<u><b>(132,832)</b></u>	<u>85,076</u>



**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

**Bank, Deposits at Call, Short  
Term Deposits**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

**Terms & conditions:** Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.05% as at 30 June 2022.

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

**Receivables - Trade and other  
debtors**

**Accounting Policy:** Carried at nominal value

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

**Carrying amount:** approximates fair value .

**Liabilities - Creditors and Accruals**

**Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association.**

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

**Carrying amount:** approximates fair value.

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2022</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>					
Cash & Equivalents	\$ 897,507	\$	\$	\$ 897,507	\$ 897,507
Receivables	30,071			30,071	30,071
<b>Total</b>	<b>927,578</b>	-	-	<b>927,578</b>	<b>927,578</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,515			1,515	1,515
<b>Total</b>	<b>1,515</b>	-	-	<b>1,515</b>	<b>1,515</b>
<b>2021</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>					
Cash & Equivalents	1,030,339	\$	\$	\$ 1,030,339	\$ 1,030,339
Receivables	9,154			9,154	9,154
<b>Total</b>	<b>1,039,493</b>	-	-	<b>1,039,493</b>	<b>1,039,493</b>
<b><u>Financial Liabilities</u></b>					
Payables	28,550			28,550	28,550
<b>Total</b>	<b>28,550</b>	-	-	<b>28,550</b>	<b>28,550</b>

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

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

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 Association is the carrying amount, net of any impairment. All Association 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 Association'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 Association'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 Association 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. Association 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. Association 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.

Expected Credit Losses (ECLs). Association uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Association's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

**Murraylands and Riverland Local Government Association**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 8 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Association include the Mayors/Chairpersons of the constituent Councils and the CEO. The following total compensation was paid:

	<b>2022</b>	2021
	\$	\$
CEO Contract	<b>121,780</b>	119,296
Member Allowances	<b>3,200</b>	3,155
<b>TOTAL</b>	<b>124,980</b>	122,451

**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 than those available to the public.

**OTHER RELATED PARTIES**

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year (inclusive of GST).

	<b>2022</b>	2021
	\$	\$
Berri Baramera Council	21,630	21,527
Coorong District Council	17,559	16,421
District Council Loxton Waikerie	24,080	23,576
District Council Karoonda East Murra	9,444	8,788
Mid Murray Council	22,800	20,829
Renmark Paringa Council	19,165	19,099
Rural City of Murray Bridge	35,420	33,027
Southern Mallee District Council	11,632	10,708
SLRP Surcharge	37,965	25,820
<b>TOTAL</b>	<b>199,695</b>	<b>179,795</b>

**Description of Services provided to all Related Parties above:**

The Association's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

## INDEPENDENT AUDITOR'S REPORT

### To the members of the Murraylands and Riverland Local Government Association Authority Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Local Government Association (the Authority), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

#### Responsibility for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. The Board of Management's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management 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 Authority or to cease operations, or has no realistic alternative but to do so. The Board of Management of the Authority is responsible for overseeing the 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 Authority'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 the management'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 Authority'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 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**



**Samantha Creten**  
**Partner**

Signed on the 9<sup>th</sup> day of November 2022  
at 214 Melbourne Street, North Adelaide



**Murraylands and Riverland Local Government Association**

**Annual Financial Statements**

**for the year ended 30 June 2022**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Murraylands and Riverland Local government Association for the year ended 30 June 2022, the Association'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*.

  
.....  
**Dylan Strong**  
CHIEF EXECUTIVE OFFICER  
Berrimarra Council

  
.....  
**Bridget Mather**  
CHIEF EXECUTIVE OFFICER  
Coorong District Council


  
.....  
**David Beaton**  
CHIEF EXECUTIVE OFFICER  
District Council Loxton Waikerie


  
.....  
**Martin Borgas**  
CHIEF EXECUTIVE OFFICER  
District Council Karoonda East Murray

  
.....  
**Ben Scales**  
CHIEF EXECUTIVE OFFICER  
Mid Murray Council

  
.....  
**Tony Siviour**  
CHIEF EXECUTIVE OFFICER  
Renmark, Paringa Council

  
.....  
**Michael Sedgman**  
CHIEF EXECUTIVE OFFICER  
Rural City of Murray Bridge

  
.....  
**Matthew Sherman**  
CHIEF EXECUTIVE OFFICER  
Southern Mallee District Council

  
.....  
**Carron McLeod**  
CHIEF EXECUTIVE OFFICER  
Murraylands and Riverland Local Government Association

  
.....  
**Mayor Peter Hunt**  
CHAIRPERSON  
Murraylands and Riverland Local Government Association

**HEAD OFFICE**

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Dean Newbery  
ABN: 30 164 612 890

## Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Murraylands and Riverland Local Government Association for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 - *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Samantha Creten**

**Partner**

**DEAN NEWBERY**

**Dated this 9<sup>th</sup> day of November 2022**



## Thank you

to the MRLGA Board, CEO Network, Berri Barmera Council, Coorong District Council, District Council of Karoonda East Murray, District Council of Loxton Waikerie, Mid Murray Council, Renmark Paringa Council, Rural City of Murray Bridge, Southern Mallee District Council Elected Members, Landscape Board MR, Regional Development Australia MR, PIRSA, SAROC, LGA, engaged consultants, ZEMC, ZEST, SAPOL, Wellbeing SA, SA State Government Departments, MDA, MDBA, LGFA, First Nations and our vibrant, passionate, hard working and connected community. Thank you for your ongoing efforts to nurture the Murrylands and Riverland region to a *Connected Region, Resilient Community, Economic Opportunity and Healthy Environment*.