



# ANNUAL REPORT

## 2020-21



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## 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

- Completion of the Karoonda East Murray Cemetery rejuvenation project
- Stage 1 of the Karoonda Walking Trail Project completed
- Implementation of the Economic Development and Tourism Strategy
- Mallee Playground Trail completed
- Memorabilia storage facility completed
- Karoonda Festival of Sounds
- 2021 SALA by the Silos event
- Karoonda footpath upgrades including Karoonda main street
- Obtained Local Roads and Community Infrastructure funding totaling in excess of \$850,000
- Council by laws updated and endorsed for consultation
- Karoonda Tourist Master Plan finalised and endorsed
- Karoonda Farm Fair and Show exhibition shed completed
- Drought and Resilience Support Project completed
- Secured 300K in funding towards Knight's Well Road reconstruction

## Your Elected Members (as at 30 June 2021)

### 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

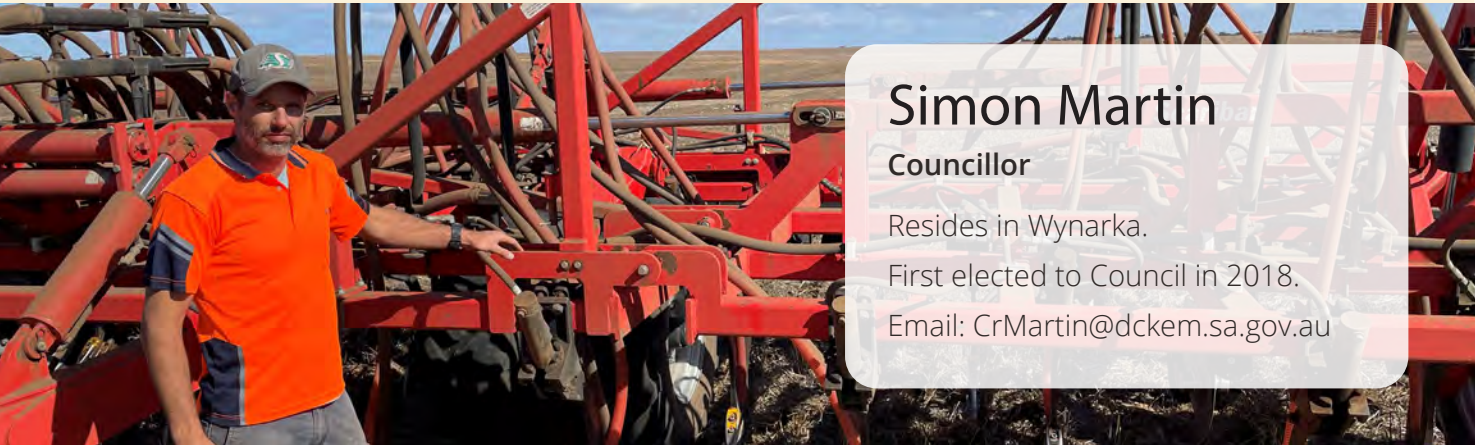
### Councillor

Resides in Bowhill.

First elected to Council in 2010.

Deputy Mayor (2018 - 2021)

Email: [CrSmith@dckem.sa.gov.au](mailto:CrSmith@dckem.sa.gov.au)



## Simon Martin

### Councillor

Resides in Wynarka.

First elected to Council in 2018.

Email: [CrMartin@dckem.sa.gov.au](mailto:CrMartin@dckem.sa.gov.au)



## Darren Zadow

### Councillor

Resides in Galga.

First elected to Council in 2014.

Email: [CrZadow@dckem.sa.gov.au](mailto:CrZadow@dckem.sa.gov.au)



## Russell Norman

### Councillor

Resides in Karoonda.

First elected to Council in 2018.

Email: [CrNorman@dckem.sa.gov.au](mailto: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

**1,101**

## Annual Rain Fall



**294mm**

# 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, child care centre, café, hospital, ambulance, CFS, grocery store, newsagency, hotel, chemist and banking via agency and eftpos. 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**



(As at 1 October 2021)



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



Photo: Karoonda's national award winning silos

## Council Initiatives

Throughout the year, Council conducted a number of community focused initiatives, including the Main Street Beautification project and working with the Youth Action Committee on various exciting projects.

### KAROONDA MAIN STREET BEAUTIFICATION PROJECT

The main street of Karoonda is looking a little different thanks to the main street beautification project which has seen new drought tolerant vegetation planted in the verges along Railway Terrace. With new tree lighting also installed this area is really set to shine!

It was great to have various community groups volunteer their time to help with the project which included; the CWA, Community Day Care Centre, Mallee Kids Childcare, Year 3/4 primary school children and Mallee Business Association members.



### YOUTH ACTION COMMITTEE

The Youth Action Committee (YAC) have been keeping very busy over the past 12 months, workshopping ideas on various exciting projects including the opening of the Mallee Playground Trail, Karoonda Sculpture Art Trail, attending Youth Tech Workshops and setting up the new Youth Room at the Karoonda Institute.

Meeting once per month, these emerging leaders are the voice of young people in our district! Seeking future grant opportunities that will benefit the youth of our area.

# Performance Against Annual Business Plan

## Annual Business Plan Actions

Council completed many of the actions from its ABP in 2020 - 2021 which supports the Strategic Management Plan noting however that some actions are in progress or were deferred and will occur in the 2021-2022 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	Drought Support & Resilience Project	Complete
P2	Toilet Block Refurbishment (Apex Park)	Complete
P3	Develop an Economic Development and Tourism Strategy	Implemented
GOAL AREA 2 - LIVEABLE		
	ACTION	STATUS
L1	Unsealed Road Renewal & Maintenance	Complete
L2	Karoonda Institute refurbishment	Complete
L3	Sealed Road Safety Project - Karoonda Township intersections	Complete
L4	Karoonda Walking Trail - Stage 1	Complete
L5	Memorabilia / Records Storage	Complete
L6	Karoonda Footpath Renewal - Main Street	Complete
GOAL AREA 3 - CONNECTED		
	ACTION	STATUS
C1	Host large community-based music festival in follow up to Colour Up Karoonda in conjunction with the Youth Action Committee - Mallee Summer Sounds	Complete
C2	Strengthen ties between Council and Ag industry organisations	Ongoing
GOAL AREA 4 - OPPORTUNISTIC		
	ACTION	STATUS
O1	Commence review of land use and township zoning	Deferred

O2	Tourist Park Master Plan for Karoonda Tourist Park & Apex Park	Complete
O3	Installation of power and water to Lewis Road Industrial Land to increase possible future investment / industry attraction	Ongoing
O4	Karoonda Farm Fair Exhibition Shed	Complete
<b>GOAL AREA 5 - ACTIVE</b>		
A1	Mallee Playground Trail (Karoonda, Wanbi & Wynarka)	Complete
A2	Provide for historical interpretation and memorabilia display through refurbishment of existing Council buildings	Complete
A3	Karoonda Cemetery public toilet and shed install	Complete
A4	Various Community Owned Facility upgardes (Karoonda Golf Club, Wynarka Recreation and Pioneer Park)	Complete
A5	Tree Removal of Athel Trees at Apex Park	Complete
<b>GOAL AREA 6 - ECO-FRIENDLY</b>		
	<b>ACTION</b>	<b>STATUS</b>
E1	Develop a Roadside Vegetation Management Plan	Ongoing
E2	Create a long term Waste and Recycling Management Strategy	Ongoing
E3	Deliver a Regional Pest and Weeds Program with Southern Mallee, Loxton Waikerie and NRM	In Progress
<b>GOAL AREA 7 - GOOD GOVERNANCE</b>		
	<b>ACTION</b>	<b>STATUS</b>
G1	Implement an elected member development and skills program	Scheduled
G2	Implement various operating plans including WHS Action Plan, HR Action Plan and Risk Management Plan	Ongoing

## Further Information about your Council

### 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.

### 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.

### 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.

### 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

## 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.

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 2020/2021 financial year is PKF Adelaide.

Total remuneration that will be payable to the above Auditor for the annual audit of the financial statements including financial controls is \$8,250 ex gst. There was no other remuneration payable or paid.

## ALLOWANCES PAID TO ELECTED MEMBERS

Elected Member allowances are set by the Remuneration Tribunal and take effect from the first ordinary meeting of Council held after the conclusion of the periodic elections. (Section 76 and Regulation 4, Local Government (Allowances and Benefits) Regulations 2010).

Allowances as at 30 June 2020 were:

### Mayor

\$27,252 per annum

### Deputy Mayor

\$8,516 per annum

### Elected Members

\$6,813 per annum

*Allowances are paid to members quarterly in arrears.*

## MANAGEMENT & STAFFING

The total number of employees employed by the District Council of Karoonda East Murray as at 01/10/2021 is 16, 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.

## Further Information about your Council

### TRAINING & DEVELOPMENT FOR MEMBERS OF COUNCIL

During 2019/2020 the following courses/ activities were provided to members of Council:

- LGA Conferences

### 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.

##### General Manager Corporate & Community

Telephone allowance.  
Subsidised house rent.

##### General Manager Infrastructure & Environment

Vehicle provided for private use.  
Telephone allowance.

### COMPETITIVE TENDERING

Council continues to operate in accordance with its Competitive Tendering, Purchasing, Sale & Disposal of Land and Other Assets Policy. In accordance with that policy Council is committed to ensuring a fair, transparent

and accountable process, in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

### 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 which are currently approved for consultation.

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

### 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

### Statutory Policies

- Contracts and Tenders Policies
- Public Consultation Policies
- Internal Control Policies
- Policy on Order Making

### Local Government (Elections) Act

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

### Local Government Act

- Internal Review Procedure

## 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

## MEETINGS OF COUNCIL

Council meets on every second Tuesday of each month commencing at 7.30pm.

The District Council of Karoonda East Murray

has always been committed to the principle of open and accountable government.

Under Sections 90 and 91(7) of the Local Government Act 1999, Council may consider matters in confidence.

## 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 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.

## Further Information about your Council

The following table provides a comparison of representation quota with other similar sized Council's as at 28 February 2020.

Council elected structure & representation table	Electors	Total Memebers (inc. Mayor	Representation Quota
Cleve	1,227	7	175
Elliston	737	8	92
Flinders Rangers	1,209	9	134
Franklin Harbour	888	6	148
Karoonda East Murray	745	7	106
Kimba	823	7	117
Orroroo Carrieton	670	6	111
Robe	1,304	7	186
Peterborough	1,214	9	134
Wudina	823	7	117

Source - Provided by ECSA



Photo: view from the Karoonda Shuffles

## 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.

Significant improvements in both physical and policy areas have been made.

## 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.

## FINANCIAL ASSISTANCE GRANTS

Financial Assistance Grants (FAGs) are a vital part of the revenue base of all Councils.

## 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. Mid Murray Council 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.

## 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 was six requests received for the period 1 July 2019 to 30 June 2020 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 2020/2021 financial year was \$27,483.00

## Further Information about your Council

### 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 & Show. Council also offers assistance to community groups by way of grant writing opportunities.

### AUSTRALIA DAY

On 26 January 2021 there was the traditional Australia Day Lunch hosted by the Perponda Sporting 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, Peter Goers to provide an address and present the certificates.

The award winners for this year were:

**Citizen of the Year Award:**  
Denis Roberts

**Young Citizen of the Year Award:**  
Natasha Leedham

**Event of the Year Award:**  
Community Christmas Party 2019,  
Mallee Business Association

### RATE REVENUE

Rate revenue raised for this financial year was \$1,713K with minimal movement in the overall capital valuations. The total CWMS rate was \$95K for occupied allotments and \$13K for vacant allotments.

### 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.

Photo: Australia Day 2021 Award Recipients



## Further Information about your Council

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.

and recommendations made during the 2020/2021 financial year.

### 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 Corporate & Community

The information below is a summary of the District Council of Karoonda East Murray Audit Committee's activities undertaken

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 four times during the year.

Meeting Date	Attendance
27 November 2021	Mayor Phillips Apology
15 December 2021	Cr Smith Apology
16 March 2021	All in attendance
15 June 2021	All in attendance

## Further Information about your Council

### AUDIT COMMITTEE ACTIVITIES

The following table sets out the main activities addressed by the audit committee during 2020/21.

Activities	Outcome
Financial Reporting	Budget Review 1 Budget Review 2 Budget Review 3 Financial Policy Reviews 2019/20 Annual Financial Statements 2020/21 Annual Business Plan & Budget
Internal Controls and Risk Management Systems	Internal controls and risk management systems
External Audit	2020/21 Audited Annual Financial Statements Meeting with External Auditor (telephone hook-up)
Audit Committee Performance	Audit Committee Work Program

### INFRASTRUCTURE & ASSETS

The works program is Council's major area of expenditure. A significant amount of construction work was carried out in 2020/21, including the road re-sheeting projects (approximately 21kms):

- Gribble Bore Road
- Turner's Well Road

#### 10 Year Plant Replacement Schedule

Council's 10 Year Plant replacement Schedule continues to be reviewed on a regular basis. In 2020/21 new plant purchases included a Roller, Grader and Work Ute.

### Waste Management

Weekly collection general waste and monthly collection of recyclables is now conducted by a local supplier. With the allocation of Green Industries funding for a new shed at the waste station Council has never been in a better position to decrease their reliance on landfill.





# KAROONDA EAST MURRAY ANNUAL REPORT 2020 - 2021

## APPENDICES

2020/21 Audited Financials

2020/21 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)





Murraylands and Riverland  
Local Government Association

# Annual Report

2020/21



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## Constituent Councils



MRLGA is a Section 43 regional subsidiary established under the *Local Government Act 1999*.

# About the Region

## Key Statistics



**Regional Area:** 36,000km<sup>2</sup>  
**Median Age:** 45 yrs  
**Largest Industry:** Agriculture, Forestry, Fishing Jobs: 6,344 (NIEIR 2019)

NIEIR – National Institute of Industry and Economic Research

## 2020-2025 MRLGA Strategic Plan *in brief*

### VALUES

Integrity

Leadership

Collaboration

Credibility

Unity

### VISION

Attractive, Liveable Region  
 – Prosperous Communities.

### MISSION

To be a unified local government sector working in the best interest of the region and our communities.

### LINKS WITH OUR CHARTER

Speaking with one voice  
 Building partnerships  
 Working with the LGA  
 Planning for and with the region  
 Coordinating resources and representation  
 Enhancing efficiencies

### Connected Region

1. Improve transport movement, efficiency and safety (L & P)
2. Attract funding for 'fit for purpose' transport infrastructure (P)
3. Support big data analytics that increase efficiencies (S)
4. Improve internet, mobile coverage (S)
5. Increase uptake of digital collaboration platforms and information sharing across councils (L)

### Resilient Communities

1. Improve social connectedness, especially across priority groups (P)
2. Further improve service delivery (S)
3. Support 'Ageing well' practices/planning (P)
4. Apply evidence-based research to improve housing options (S)
5. Improve access to skills development programs (P)

### Healthy Environment

1. Plan for changing water security and stewardship (S)
2. Create sustainable region waste management (L)
3. Improve climate change adaptation (P)
4. Sustainable management of natural environments & systems (S)

### Economic Opportunity

1. Initiate place-based economic development (RDA lead) (P)
2. Attract investment for enabling infrastructure (P)
3. Coordinate effort to improve MRLGA councils' shared services (initially concentrating on 1 or 2 areas) (L)
4. Attract and develop skills to grow the region (S)

*The MRLGA selects the most efficient role on key issues that is; Support (S) other lead agencies, Partner (P) or take the Lead (L) – to deliver the region the greatest return with limited resources.*

# President's Report



**Mayor  
Peter Hunt**

**I am pleased to present my President's Report for 2020-2021. The report highlights the Murraylands and Riverland Local Government Association's (MRLGA) key achievements of the year.**

It's been another busy year for local government across the region, state and nation. Infrastructure works have been advanced by the dispensing of funds to help stimulate growth as the economy adjusts to the disruptions caused by Covid-19, drought and the ongoing transitions to new arrangements under the Murray Darling Basin Plan.

In addition to busy infrastructure teams working to procure resources to undertake and complete projects, there has also been the local government reform bill and the introduction of planning reform under the Planning, Development and Infrastructure Act 2016. As we work our way through the change and look to the future, there's every reason to think that Regional Local Government Associations will have a growing role to play.

**Our preference is to pursue a partnership approach to innovative service delivery, creating efficiency and value.**

There's a tendency to only see the parts of an organisation that you directly engage with and not look beyond to see how many parts come together. MRLGA has managed and convened in excess of 26 meetings across the Board, CEO Network, Public Health and Wellbeing Committee, Regional Transport and Assets Committee, Connected Councils Working Group and Water Position Working Groups in 2020/21.

The committees and working groups are a coming together of the eight constituent councils; a coalescing of the right expertise and skills to engage or work on the issues, opportunities and challenges that local government face in the region. Indeed,

I was privileged to see the Information Technology staff from across councils come together and guide the Association through a process that contributed to establishing a cloud-based framework for secure file storage and sharing. While I confess to finding it difficult in understand what they were proposing (and am still none the wiser), I found it interesting that some of the staff had never had cause to interact with each other before.

The coming together of staff and elected members from across councils in a purposeful manner builds trust in one another. In trusting, we understand that there is merit in us working together to build our region and promote it for the wonderful place it is; all the while understanding that we have already been the beneficiaries.

The development of a Regional Waste and Resource Recovery Strategy is an example of how councils can work together for common benefit. Being clear about our desire to be leaders in the circular economy sends a clear signal to the private sector; that is, that we're not trying to outsource our responsibility for a problem but rather, our preference is to pursue a partnership approach to innovative service delivery; creating efficiency and value as we go. I look forward to seeing the results of the natural extension and implementation of the strategy as it guides a joint procurement process for waste management services across many of our councils.

Likewise, the updating of the 2030 Regional Transport Plan has allowed constituent councils to review regionally significant local roads, consider fit for purpose conditions and build a forward plan for forecast works on those roads. Undertaking this work allows the region to come together and prioritise the roads most in need of Special Local Roads Program (SLRP) funding each year. This process yielded \$2,582,000 in direct support to councils from SLRP in 2020/21 and also allows the individual pursuit of funding through other streams such as the Heavy Vehicle Safety

and Productivity Program.

From an asset management perspective there is merit in the constituent councils working together to develop hierarchies and fit for purpose standards. To this end, the region has benefited from the continued progress of the Regional Road Hierarchy Plan which uses an adapted Austroads system of classification and creates sub-categories better suited to the needs of regional councils. Mapping the roads across the region by classification allows for quick and easy gap analysis to be undertaken. Such analysis allows councils to strategically review the assets against intended purpose; determining whether the service level is suitable; whether alternative routes should be considered; or, whether a case for a change in ownership may be required.

The Public Health and Wellbeing Committee has also been busy working through the requirements of bringing a new regional Public Health and Wellbeing Plan into operation. This has included coordinating the passage of the draft plan through the chambers of each council, seeking permission from the Minister for Health and Wellbeing to proceed to public consultation, undertaking the consultation and considering feedback before submitting to the Chief Public Health Officer.

As we reflect this process, it's worth noting the range of works that councils deliver to derive public good for our communities. In doing so, we need to avoid getting caught in the obligatory nature of the Regional Public Health Plans (imposed by the Public Health Act 2011) and hence only take a minimalistic approach to compliance in the process. While the risk of cost shifting needs to be managed, there's also real opportunity for leadership from local government in this space. It starts by understanding our role in developing and promoting environments in which communities can thrive, while at the same time continuing to advocate for access to coordinated service delivery.

I note also that the Association continues

to look beyond collaboration at a local government level. I commend the efforts of the MRLGA CEO, Tim Smythe and RDAMR CEO, Ben Fee as they've sought to build robust institutional arrangements that recognise the benefits of coordinating at a regional level and pursuing a common set of goals. The commencement of Andrew Meddle in the role of General Manager of the MR Landscape Board bodes well for a strengthening of relationships that will provide the impetus for strategically positioning the region for success.

### **MRLGA continues to look beyond collaboration at a local government level.**

In closing, I sincerely thank all constituent councils and MRLGA Board Members for the opportunity afforded to me in being your President. The work undertaken by our CEO, Tim Smythe, in the last 12 months must also rate a mention here; his service to the Association has been outstanding.

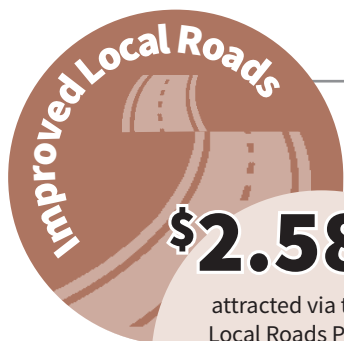
I particularly want to thank Deputy President, Mayor Dave Burgess, whose leadership in local government across many years has been an asset to the region and state. Dave did not seek re-election to office within the Association in 2021/22, so I take this opportunity to acknowledge the role he has played in guiding the Association in to what it is today as both Deputy President and President since June 2012.

As I look to the next 12-18 months, I see good cause for our councils to continue to support the MRLGA. This will of course require us to be clear about what we want from the Association and what is required for it to deliver against those expectations. With State, Federal and Local Government elections all set to occur within this period, it makes sense for us to be working to establish informed positions that advance the case for ongoing investment and commitment to the Murraylands and Riverland region.



# Key Outcomes

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**\$2.58mil**

attracted via the Special Local Roads Program and Supplementary Local Roads Program for improved freight and tourism connectivity within the region and surrounds

Individual constituent councils pursued the work completed under the High-Risk Intersection Project and submitted funding application for safety upgrades to a number of the intersections.

Regional Road Hierarchy Plan developed and regional road classifications endorsed.



Draft Regional Public Health Plan progressed through public consultation and is now ready to be submitted to the Chief Public Health Officer.



2021-26 Regional Waste and Resource Recovery Strategy, Implementation Plan and Joint Procurement Tender Documents developed.

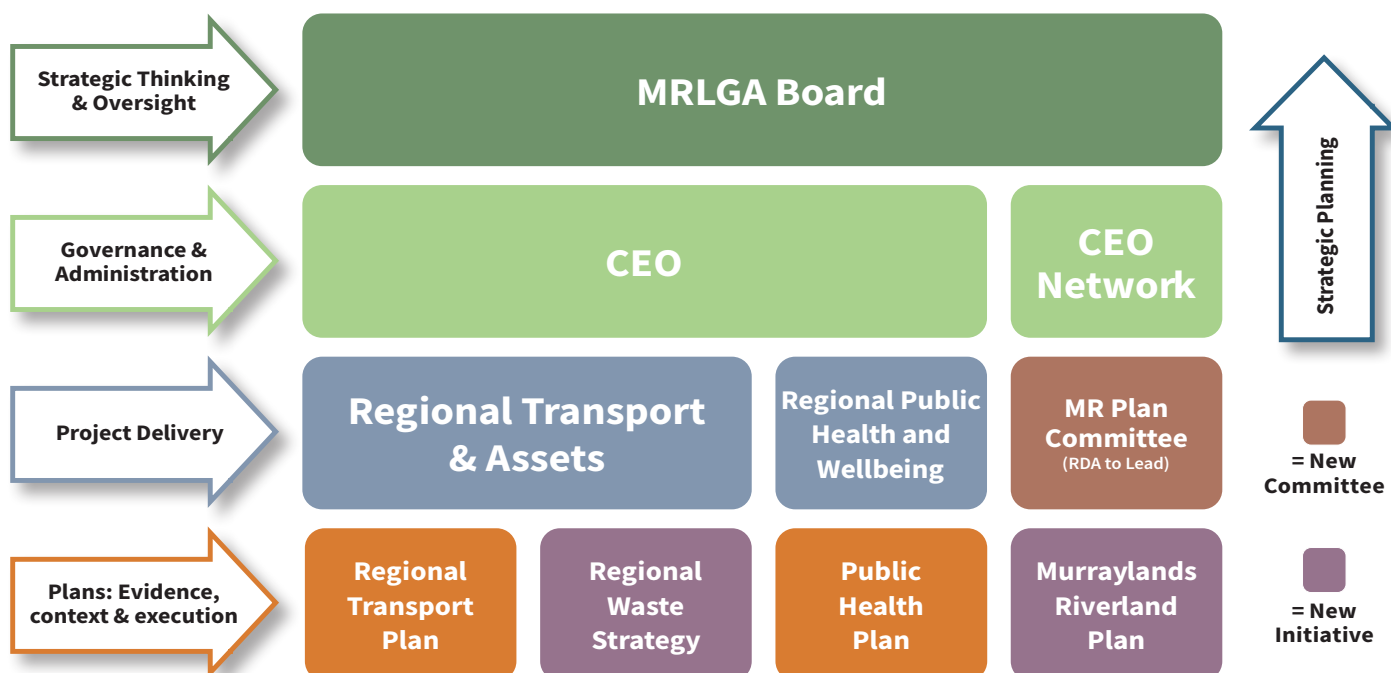


A connected council working group was formed, via nominations from the CEO Network, and guided MRLGA's transition to a cloud-based operating system.



A Water Position Working Group was endorsed by the MRLGA Board and committed to partnership with the Murray Darling Association Region 5 and 6. The group will guide the preparation of strategic advocacy document that targets the importance of water from the Murray Darling Basin for our region and its communities.

# MRLGA Structure



## MRLGA Board and Committees

Board Member	
<i>Current June 2021</i>	
Mayor Peter Hunt ( <i>President</i> )	Berri Barmera Council
Mayor Paul Simmons	Coorong District Council
Mayor Caroline Phillips	District Council Karoonda East Murray
Mayor Leon Stasinowsky	District Council Loxton Waikerie
Mayor Dave Burgess ( <i>Deputy President</i> )	Mid Murray Council
Mayor Neil Martinson	Renmark Paringa Council
Mayor Brenton Lewis	Rural City of Murray Bridge
Mayor Jeffery Nickols*	Southern Mallee District Council

\* Replaced Cr Andrew Grieger as of November 2020

Deputy Delegates	
<i>Current June 2021</i>	
Cr Rhonda Centofanti	Berri Barmera Council
Cr Ella Winnall ( <i>Deputy Mayor</i> )	Berri Barmera Council
Cr Jeff Arthur ( <i>Deputy Mayor</i> )	Coorong District Council
Cr Sharon Bland	Coorong District Council
Cr Daryl Sparks ( <i>Deputy Mayor</i> )*	District Council Karoonda East Murray
Cr Trevor Norton ( <i>Deputy Mayor</i> )	District Council Loxton Waikerie
Cr Simone Bailey ( <i>Deputy Mayor</i> )**	Mid Murray Council
Cr Henry Du Rieu ( <i>Deputy Mayor</i> )	Renmark Paringa Council
Cr Wayne Thorley ( <i>Deputy Mayor</i> )	Rural City of Murray Bridge
Cr Paul Ireland ( <i>Deputy Mayor</i> )	Southern Mallee District Council

\* Cr Yvonne Smith - DCKEM deputy Delegate prior to November 2020

\*\* Cr Kevin Myer - MMC deputy Delegate prior to November 2020

# MRLGA Committees

<b>CEO Network</b>	
<i>Current June 2021</i>	
<i>Mayor Peter Hunt (ex officio)</i>	
Karyn Burton	Berri Barmera Council
Bridget Mather	Coorong District Council
Martin Borgas*	District Council Karoonda East Murray
David Beaton	District Council Loxton Waikerie
Ben Scales	Mid Murray Council
Tony Siviour	Renmark Paringa Council
Michael Sedgman	Rural City of Murray Bridge
Jason Taylor	Southern Mallee District Council
Tim Smythe	MRLGA

\* *Matthew Morgan - DCKEM representative until September 2020*

<b>MRLGA Regional Transport &amp; Assets Committee</b>	
<i>Current 30 June 2021</i>	
Mayor Neil Martinson Chair	
<i>Mayor Peter Hunt (ex officio)</i>	
Mayor Paul Simmons	
Harry Du	Berri Barmera Council
Dave Degraney	Berri Barmera Council
Vacant*	Coorong District Council
James Clarke (proxy)	Coorong District Council
Calvin Hoye**	District Council Karoonda East Murray
Greg Perry	District Council Loxton Waikerie
Dom Perre (proxy)	District Council Loxton Waikerie
David Hassett	Mid Murray Council
Russell Pilbeam (proxy)	Mid Murray Council
Vacant***	Renmark Paringa Council
Tarik Wolf (proxy)	Renmark Paringa Council
Heather Barclay	Rural City of Murray Bridge
Vacant**** (proxy)	Rural City of Murray Bridge
Mathew Sherman	Southern Mallee District Council
Tim Smythe	MRLGA

\* *David Mosel – CDC representative until November 2020*

\*\* *Jarrod Manuel – DCKEM representative until February 2021*

\*\*\* *Tim Tol – RPC representative until June 2021*

\*\*\*\* *Matt James – RCMB representative until April 2021*



# MRLGA Committees

<b>MRLGA Regional Public Health &amp; Wellbeing Committee</b>	
<i>Current 30 June 2021</i>	
Mayor Peter Hunt ( <i>ex officio</i> )	
Andrew Haigh	Berri Barmera Council
Myles Sommers	Coorong District Council
Cr Sharon Bland	Coorong District Council
Kellie Jaensch	Coorong District Council
Martin Borgas*	District Council Karoonda East Murray
Cheryl Pedler	District Council Loxton Waikerie
Thomas McKellar	Mid Murray Council
Kristy Morgan	Mid Murray Council
Stephanie Brookes	Renmark Paringa Council
Dara Frankel	Renmark Paringa Council
Jeremy Byrnes	Rural City of Murray Bridge
Reg Budarick	Rural City of Murray Bridge
Geoff Parsons	Rural City of Murray Bridge
Caroline Thomas	Rural City of Murray Bridge
Lee Prestwood	Rural City of Murray Bridge
Shilo Wyatt	Southern Mallee District Council
Tim Smythe	MRLGA

\* Jarrod Manuel – DCKEM representative until February 2021

<b>MRLGA Connected Council Working Group</b>	
<i>Current 30 June 2021</i>	
Mayor Peter Hunt ( <i>ex officio</i> )	
Darren Arbon	Mid Murray Council
Matt Morgan*/Katrina Fromm	District Council Karoonda East Murray
Mark Huxtable	Riverland Councils
Tim Vonderwall	Rural City Murray Bridge
Tony Secomb	Southern Mallee District Council
Tim Smythe	MRLGA

\* Matt Morgan – DCKEM representative until September 2020

<b>MRLGA Connected Council Working Group</b>	
<i>Current 30 June 2021</i>	
Mayor Peter Hunt ( <i>ex officio</i> )	
Cr Andrew Kassebaum (Chair)	Berri Barmera Council/ MDA Region 5
Cr Peter Raison	Mid Murray Council/ MDA Region 5 (Chair)
Cr Melissa Rebbeck	Alexandrina Council/ MDA Region 6 (Chair)
Tracey Strugnell	Coorong District Council/ MDA Region 6
Emma Bradbury	Murray Darling Association
Tim Smythe	MRLGA

# MRLGA Activities

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## MRLGA Board

The MRLGA Board meets 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 10 July 2020
2. Friday, 23 October 2020
3. Friday, 5 February 2021
4. Friday, 7 May 2021

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

- Endorsed the 2020-2025 MRLGA Strategic Plan
- Established a Water Position Working Group to develop a water position paper as a strategic advocacy tool. Meetings of the Working Group were held 8 September 2020, 18 November 2020 and 25 February 2021.
- Endorsed the Regional Waste and Resource Recovery Strategy
- Participated in consultation with the Department of Infrastructure and Transport over the development of rural highway corridors; advocated for the upgrade of High-Risk Intersections.
- Established a levy for the implementation of the Regional Public Health and Wellbeing Plan

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

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

## 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, 17 August 2020
2. Monday, 20 November 2020
3. Monday, 21 February 2021
4. Monday, 21 June 2021

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

- Established a Connected Council working Group to guide the transition of MRLGA to cloud-based file management and sharing platform. Meetings were held 10 September 2020, 28 September 2020 and 23 November 2020.
- Consulted with the Native Vegetation Council re: roadside native vegetation management guidelines.
- Considered place based economic development initiatives and agreed to Terms of Reference for a Murraylands and Riverland Plan Steering Committee, with RDA Murraylands and Riverland as the lead agency.
- Sought advice from the Minister of Planning and Local Government on the possibility of MRLGA entering a Planning Agreement to oversee the development of a Regional Plan under the Planning, Development and Infrastructure Act 2016.
- Received a presentation from the Essential Services Commission and the Energy and Water Ombudsman of SA – councils required to become members of the Energy and Water Ombudsman SA.

## **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. Monday, 17 August 2020
2. Wednesday, 1 December 2020
3. Friday, 4 March 2021
4. Friday, 15 April 2021

**Key activities of the committee included:**

- Updated regionally significant routes and corresponding action lists within the 2030 Regional Transport Plan; refreshed the regional roads database with regionally significant routes that are scheduled for works, to address major deficiencies, in the next 3 to 5 years.
- Co-ordinated the application process for Councils to the Special Local Roads Program.
- Participated in consultation with the Department of Infrastructure and Transport over the development of rural highway corridors; advocated for the upgrade of High-Risk Intersections.
- Endorsed the Regional Road Hierarchy Plan and agreed to progress to road construction and maintenance standards
- Consulted with the Native Vegetation Council re: roadside native vegetation management guidelines
- Guided the strategic engagement with constituent councils and contributed to the development of the Regional Waste and Resource Recovery Strategy (regional forums held on 23 October 2020 and 16 March 2021).

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

The MRLGA Regional Public Health and Wellbeing Committee includes 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, 19 August 2020
2. Tuesday, 13 October 2020
3. Thursday, 17 December 2020
4. Thursday, 25 March 2021
5. Thursday, 20 May 2021

**Key activities of the committee included:**

- Progressed Regional Public Health and Wellbeing Plan by:
- Obtained approval from constituent councils to seek permission from the Minister for Health and Wellbeing to release the Plan for Public Consultation
- Released the Plan for Public Consultation from 12 April to 10 May 2021.
- Sought endorsement from constituent councils for the amended Plan to be submitted to the Chief Public Health Officer.
- Submitted section 52 (Public Health Act 2011) reports to the Deputy Chief Public Health Officer.

## Regional Organisation Executive Officers

The Regional Organisations 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, 27 August 2020
2. Wednesday, 28 October 2020
3. Wednesday, 16 December 2020
4. Wednesday, 3 February 2021
5. Thursday, 29 April 2020

### 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
- Share information and provide collegiate support
- Coordinate collaborative project activity

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

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

## 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 to SAROC in 2020/21 were President, Mayor Peter Hunt and Deputy President Mayor Dave Burgess.

**MRLGA supports SAROC by attending the meetings, submitting items of business to SAROC meetings and preparing regional reports. Key activities that MRLGA supported SAROC to deliver included:**

- Delivery of a Public Health and Wellbeing Forum on 15 December 2020 – MRLGA presented on the work it had undertaken as part of a Community Wellbeing Alliance Pilot Project.
- Delivery of a Regional Waste Pathways Forum on 31 May 2021 – MRLGA formed part of the local government panel that discussed the role of regional local government in optimising resource recovery and reducing the amount of waste being sent to landfill.

## Government Engagement and Advocacy

The following engagement has occurred with Government

- Victorian Cross Border Commissioner – COVID-19 impacts, Regional Development Victoria – Strategic Planning Consultation.
- SA Productivity Commissioner – cross border red tape reduction.
- 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.

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

To the members of the Murraylands & Riverland Local Government Association

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Government Association ("the Association"), which comprises the balance sheet as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer and the Chairperson.

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

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 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 Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Association determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Association is responsible for assessing the Association'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 Association's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to 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 entity'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 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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

7 / 09 / 2021

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Simon Smith CA, FCPA  
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## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

### To the members of the Murraylands & Riverland Local Government Association

#### Opinion

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

In our opinion, the Murraylands & Riverland Local Government Association has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Association 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 Association have been conducted properly and in accordance with law for the period 1 July 2020 to 30 June 2021.

#### Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Association 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 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Association's responsibility for internal controls

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

#### Our independence and quality control

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Association's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Association to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, 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 Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Association 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 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

**Limitations of controls**

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

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

**Limitation of use**

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA, Registered Company Auditor  
Partner





**Murraylands and Riverland  
Local Government Association**

# **Murraylands and Riverland Local Government Association**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 June 2021**

# **Murraylands and Riverland Local Government Association**

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Murraylands and Riverland Local Government Association

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Income</b>			
M&R LGA Contributions	2	179,795	172,661
Other Grants & Contributions	2	115,242	316,148
Interest Revenue	2	6,555	11,773
<b>Total Revenue</b>		<b>301,592</b>	<b>500,582</b>
<b>Operating Expenses</b>	3	(292,930)	(438,644)
<b>Surplus (deficit) for the year</b>		<b>8,662</b>	<b>61,938</b>
<b>Total Comprehensive Profit (Loss)</b>		<b>8,662</b>	<b>61,938</b>

*The accompanying Notes form part of these financial statements*

Murraylands and Riverland Local Government Association

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	1,030,339	945,263
Trade and Other Receivables	5	9,154	20,585
<b>Total Current Assets</b>		<u>1,039,493</u>	<u>965,848</u>
<b>Total Assets</b>		<u>1,039,493</u>	<u>965,848</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	6	68,550	3,567
<b>Total Current Liabilities</b>		<u>68,550</u>	<u>3,567</u>
<b>Total Liabilities</b>		<u>68,550</u>	<u>3,567</u>
<b>Net Assets</b>		<u>970,943</u>	<u>962,281</u>
<b>Member's Funds</b>			
Accumulated Surplus	7	970,943	962,281
<b>Total Members Funds</b>		<u>970,943</u>	<u>962,281</u>

*The accompanying Notes form part of these financial statements*

**Murraylands and Riverland Local Government Association**

**STATEMENT OF CHANGES IN MEMBER'S FUNDS  
AS AT 30 JUNE 2021**

	Note	Accumulated Surplus \$	Unspent funds reserve \$	Total \$
<b>2021</b>				
Balance at the beginning of the year	7	962,281	-	962,281
Surplus for the year		8,662	-	8,662
Balance at the end of year		<u>970,943</u>	<u>-</u>	<u>970,943</u>
<b>2020</b>				
Balance at the beginning of the year	7	900,343	-	900,343
Surplus for the year		61,938	-	61,938
Balance at the end of year		<u>962,281</u>	<u>-</u>	<u>962,281</u>

*The accompanying Notes form part of these financial statements*

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Cash from operating activities</b>			
Receipts from grants		115,242	316,148
Receipts from members		179,795	172,661
Interest received		6,555	11,773
less: increase/(decrease) in debtors		11,431	(19,835)
Payments to suppliers		(292,930)	(438,644)
add: increase/(decrease) in payables		64,983	801
<b>Net cash provided from operating activities</b>	<b>8</b>	<b><u>85,076</u></b>	<b><u>42,904</u></b>
<b>Net increase in cash held</b>		85,076	42,904
Cash at beginning of financial year		945,263	902,359
<b>Cash at end of financial year</b>	<b>4</b>	<b><u>1,030,339</u></b>	<b><u>945,263</u></b>

*The accompanying Notes form part of these financial statements*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

## Note 1: Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act (1999). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the members of the committee.

### **(a) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed (subject to materiality).

### **(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **(c) Income taxes**

The activities of the Association are exempt from taxation under the Income Tax Assessment Act 1997.

### **(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**(e) Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instruments are classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

*(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(ii) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**Impairment**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial re-organisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Impairment of assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(g) Revenue**

Where it has been determined that the grant agreement is enforceable and sufficiently specific performance obligations exist, revenue is recognised in profit and loss as performance obligations are met. Otherwise, revenue is recognised on receipt.

If an amount received is in advance of the performance of obligations, a revenue in advance liability is recognised and reduced as performance obligations are met.

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

*New Accounting Standards Implemented:*

AASB 15: Revenue from contracts with customers and AASB 1058: Income of Not-for-Profit Entities have been applied using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be reported under AASB 1004: Contributions and AASB 118: Revenue.

**(h) Trade and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(i) Trade and other receivables**

These include amounts due from the ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**(j) Critical Accounting Estimates and Judgments**

**Key estimates**

*(i) Impairment - general*

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Murraylands and Riverland Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

Note 2: Revenue

	2021	2020
	\$	\$
<b>M&amp;M LGA Contributions</b>		
Berri Barmera	21,527	21,423
Coorong District Council	16,421	15,266
DC of Karoonda East Murray	8,788	8,132
DC of Loxton Waikerie	23,576	23,071
Mid Murray Council	20,829	18,859
The Rural City of Murray Bridge	33,027	30,634
Renmark Paringa Council	19,099	19,032
Southern Mallee DC	10,708	9,784
SLRP surcharge	25,820	26,460
	<u>179,795</u>	<u>172,661</u>
<b>Other Grants &amp; Contributions</b>		
Other Grants	-	-
Rubble Royalties	-	177,787
Regional Capacity Buildings	42,151	41,221
Community Wellbeing Alliance	-	-
Out Reach Program Income	-	-
Riverland Social Indicators	38,091	84,790
Regional Road Hierarchy Plan	-	12,350
M & R Regional Waste Strategy	35,000	-
	<u>115,242</u>	<u>316,148</u>
<b>Interest Revenue</b>	6,555	11,773
<b>Total Revenue</b>	<u><u>301,592</u></u>	<u><u>500,582</u></u>

Murraylands and Riverland Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

Note 3: Other Operating Expenses

	2021	2020
	\$	\$
Allowances	3,155	3,032
Accounting software	4,079	50
Audit fees	3,100	3,100
Executive officer contract services	119,296	118,500
Insurance	7,701	5,922
Meeting expenses	1,122	1,780
Sundry expenses & fees	946	382
Strategic Planning	-	12,210
Administration Support	11,473	20,240
Legal Charter Review	-	1,741
CEO Succession Planning / Recruitment	-	-
MDB Social Planning Forum	-	-
<b>Project Expenditure:</b>		
Transport of Roads Projects	20,660	66,222
Community Wellbeing Initiative	13,805	55,812
Connected Councils	5,950	
SLRP Priority Setting	425	
Regional Capacity - Rubble Royalty Project	-	6,000
Regional Joint Planning Board	-	12,005
Regional Road Hierarchy Plan	6,421	
Regional Waste Strategy	94,797	-
Riverland Social Indicators	-	131,648
	<u>292,930</u>	<u>438,644</u>

Note 4: Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	100	100
Cash at bank	145,832	67,311
LGFA Investment	884,407	877,852
	<u>1,030,339</u>	<u>945,263</u>

Note 5: Trade and other receivables

	2021	2020
	\$	\$
Trade Debtors	1,298	3,396
GST receivable / (payable)	7,856	17,189
Prepayments	-	-
	<u>9,154</u>	<u>20,585</u>

Note 6: Trade and other Payables

	2021	2020
	\$	\$
Payables	28,550	3,567
Revenue in Advance - Regional Public Health Plan	40,000	-
	<u>68,550</u>	<u>3,567</u>

Murraylands and Riverland Local Government Association

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

Note 7: Accumulated Surplus

	2021	2020
	\$	\$
Opening Balance	962,281	900,343
Surplus for the year	8,662	61,938
<b>Balance at year end</b>	<b>970,943</b>	<b>962,281</b>

*Note : reserves no longer used in relation to unspent funds as a result of change in accounting treatment.*

Note 8: Reconciliation of cash flow from operations with surplus for year

	2021	2020
	\$	\$
Net surplus for the year	8,662	61,938
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	11,431	(19,835)
Increase/(decrease) in trade and other payables	64,983	801
<b>Net cash provided from operating activities</b>	<b>85,076</b>	<b>42,904</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**Note 9: Financial Instruments**

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

**Categorisation of Financial instruments**

	Note	2021		2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities</b>		\$	\$	\$	\$
Trade and other Payables	6 (i)	28,550	28,550	3,567	3,567
<b>Total Financial liabilities</b>		<b>28,550</b>	<b>28,550</b>	<b>3,567</b>	<b>3,567</b>
<b>Financial Assets</b>					
Cash and cash equivalents	4	1,030,339	1,030,339	945,263	902,360
Trade and other Receivables	5	9,154	9,154	20,585	20,585
<b>Total Financial Assets</b>		<b>1,030,339</b>	<b>1,030,339</b>	<b>945,263</b>	<b>902,360</b>

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments of a nature whose carrying value is equal to fair value.

**i. Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the association securing trade and other receivables.

**ii. Liquidity Risk**

Liquidity risk arises from the possibility that the association might have difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

iii. **Market Risk**

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitivities to the association's exposure to changes in interest rates.

	2021		2020	
	% Weighted Average Interest rate	Carrying Value	% Weighted Average Interest rate	Carrying Value
<b>Financial liabilities</b>	\$	\$	\$	\$
Trade and other Payables	0%	28,550	0%	3,567
<b>Financial Assets</b>				
Cash at bank	0%	145,832	0%	67,311
LGFA Investment	1.8%	884,407	1.8%	877,852
Cash on hand	0%	100	0%	100
Trade and other Receivables	0%	9,154	0%	20,585

## Note 10: Contingent Liabilities and Contingent Assets

At 30 June 2021, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

## Note 11: Capital Commitments

At 30 June 2021, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

## Note 12: Events after the end of the reporting period

The South Australian Government has continued to issue public health directives related to the 2019 novel corona virus (COVID-19) global pandemic. The financial risk related to restrictions on business have had minimal impact on MRLGA. Interest earnings reduced but this represents only a small percentage of total revenue.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

## Note 13: Economic Dependence

Murraylands and Riverland Local Government Association is dependent on the Local Councils within its jurisdiction and other funding bodies for the majority of its revenue used to operate the business. At the date of this report, the Committee believe that the Local Councils and other bodies will continue to fund the Association.

## Note 14: Related Party Transactions

The total remuneration paid to key management personnel of Murraylands and Riverland Local Government Association Incorporated during the year was as follows:

	2021
	\$
Chief Executive Officer Contract Services	<b>119,296</b>

Key management personnel include the CEO and President.

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

## Note 15: Capital Management

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

## Note 16: Association details

The registered office of the association and principal place of business is;



**Murraylands and Riverland Local Government Association**

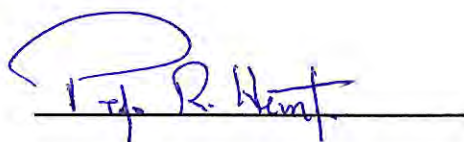
**STATEMENT BY MEMBERS  
FOR THE YEAR ENDED 30 JUNE 2021**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Murraylands and Riverland Local Government Association as at 30 June 2021 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Murraylands and Riverland Local Government Association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Name: PETER HUNT  
Position: President  
Date: 13/08/21



Name: Tim SMYTHE  
Position: Chief Executive  
Date: 13/08/21

# District Council of Karoonda East Murray

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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**District Council of Karoonda East Murray**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2021**

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**District Council of Karoonda East Murray**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



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



.....  
Caroline Phillips  
**MAYOR**

Date: 9/11/2021

**District Council of Karoonda East Murray**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2021**

	Notes	2021 \$'000	2020 \$'000
<b>INCOME</b>			
Rates	2	1,713	1,595
Statutory charges	2	51	16
User charges	2	312	207
Grants, subsidies and contributions	2	3,888	2,520
Investment income	2	18	21
Reimbursements	2	3	6
Other income	2	234	96
<b>Total Income</b>		<b>6,219</b>	<b>4,461</b>
<b>EXPENSES</b>			
Employee costs	3	1,276	1,182
Materials, contracts & other expenses	3	2,709	2,237
Depreciation, amortisation & impairment	3	1,594	1,608
<b>Total Expenses</b>		<b>5,579</b>	<b>5,026</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>640</b>	<b>(565)</b>
Asset disposal & fair value adjustments	4	98	(74)
Amounts received specifically for new or upgraded assets	2	906	-
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>1,644</b>	<b>(639)</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	1,640	-
Impairment (expense) / recoupments offset to asset revaluation reserve	9	-	(6,327)
<b>Total Other Comprehensive Income</b>		<b>1,640</b>	<b>(6,327)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>3,284</b>	<b>(6,966)</b>
Share of Net Surplus / (Deficit)			
Council		1,644	(639)
		<b>1,644</b>	<b>(639)</b>
Share of Other Comprehensive Income			
Council		1,640	(6,327)
		<b>1,640</b>	<b>(6,327)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>3,284</b>	<b>(6,966)</b>
<b>AASB 1058 Recognition</b>			
Operating Result prior to AASB 1058 application		640	(565)
Grants Received in Advance 2019-20		(1,007)	-1440
Grants Received in Advance 2020-21		824	1007
<b>Adjusted Operating Result to reflect AASB 1058</b>		<b>457</b>	<b>(998)</b>
<b>Adjusted Total Comprehensive Income to reflect AASB 1058</b>		<b>3,101</b>	<b>(7,399)</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 2021**

		2021	2020
<b>ASSETS</b>	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	2,632	3,703
Trade & other receivables	5	345	288
Inventories	5	6	12
<b>Total Current Assets</b>		<b>2,983</b>	<b>4,003</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	44,553	42,043
Other non-current assets	6	657	331
<b>Total Non-current Assets</b>		<b>45,210</b>	<b>42,374</b>
<b>Total Assets</b>		<b>48,193</b>	<b>46,377</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,494	3,000
Provisions	8	194	150
<b>Total Current Liabilities</b>		<b>1,688</b>	<b>3,150</b>
<b>Non-current Liabilities</b>			
Provisions	8	10	15
<b>Total Non-current Liabilities</b>		<b>10</b>	<b>15</b>
<b>Total Liabilities</b>		<b>1,698</b>	<b>3,165</b>
<b>NET ASSETS</b>		<b>46,496</b>	<b>43,212</b>
<b>EQUITY</b>			
		2021	2020
		\$'000	\$'000
	Notes		
Accumulated Surplus		16,523	14,879
Asset Revaluation Reserves	9	29,973	28,333
Other Reserves	9	-	-
<b>Total Council Equity</b>		<b>46,496</b>	<b>43,212</b>
<b>TOTAL EQUITY</b>		<b>46,496</b>	<b>43,212</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 2021**

2021	Notes	Acc'd Surplus \$'000	Asset Rev'n Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		14,879	28,333	-	43,212
<b>Net Surplus / (Deficit) for Year</b>		1,644			1,644
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment			1,640		1,640
<b>Balance at end of period</b>	9	<b>16,523</b>	<b>29,973</b>	-	<b>46,496</b>
<b>2020</b>					
Balance at end of previous reporting period		15,518	34,660	-	50,178
Restated opening balance		15,518	34,660	-	50,178
<b>Net Surplus / (Deficit) for Year</b>		(639)			(639)
<b>Other Comprehensive Income</b>					
Impairment (expense) / recouplements offset to asset revaluation reserve			(6,327)		(6,327)
<b>Balance at end of period</b>	9	<b>14,879</b>	<b>28,333</b>	-	<b>43,212</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 2021**

		2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<i><b>Receipts:</b></i>			
Rates - general & other		1,693	1,585
Fees & other charges		56	16
User charges		430	332
Investment receipts		18	247
Grants utilised for operating purposes		2,173	3,954
Reimbursements		3	6
Other revenues		528	339
<i><b>Payments:</b></i>			
Employee costs		(1,238)	(1,183)
Materials, contracts & other expenses		(2,947)	(2,764)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>716</b>	<b>2,532</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Amounts specifically for new or upgraded assets		906	
Sale of replaced assets		247	35
Sale of surplus assets		7	
Sale of real estate developments		71	15
<i><b>Payments:</b></i>			
Expenditure on renewal/replacement of assets		(2,590)	(985)
Expenditure on new/upgraded assets		(427)	(69)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,787)</b>	<b>(1,004)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
<i><b>Payments:</b></i>			
Repayment of aged care facility deposits		-	(99)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>-</b>	<b>(99)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(1,071)</b>	<b>1,429</b>
Cash & cash equivalents at beginning of period	11	<b>3,703</b>	2,274
<b>Cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>2,632</b>	<b>3,703</b>

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 2021**

**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 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**

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

**2 The Local Government Reporting Entity**

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

**3 Income recognition**

**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 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

Grants Commission Funds received in June for the next financial year have been shown as income received in advance in the Financial Reports. Therefore, neither the Financial Reports nor the Budget variances are distorted. AASB1058 recognition comparatives are shown within the Statements and Notes as applicable (Notes 2 and 8).

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

The actual amounts of untied grants received during the reporting periods are disclosed in Note 2. The disclosures have been made to make it clear to users of these statements that the untied financial assistance grants received in June 2021 have not been reported as income in the 2021 financial year as management believe this would be misleading as the associated expenditure of these funds will not occur until the 2021-22 financial year. Accordingly, the payment received in June 2021 has been included in note 8 under payments received in advance.

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

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 13.

#### **5 Inventories**

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

##### **5.1 Real Estate Assets Developments**

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

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

##### **5.2 Other Real Estate held for resale**

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

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

**6.6 Borrowing Costs**

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

**9 Provisions**

**9.1 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 18.

**9.2 Provisions for reinstatement, restoration, rehabilitation.**

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

At present Council does not recognise any provisions for reinstatement, restoration or rehabilitation but will do so in the future if required.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

**10 Leases**

The Council is not a party to any leases covered by AASB16 during the 2020-21 financial year.

**11 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.

**12 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 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material:

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

Amendments to AASB 16 Covid-19 Related Rent Concessions:

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 2 - INCOME**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>RATES REVENUES</b>			
<u>General Rates</u>		<b>1,491</b>	1,387
Less: Mandatory rebates		<b>(9)</b>	(10)
Less: Discretionary rebates, remissions & write offs		<b>(8)</b>	(9)
		<hr/> <b>1,474</b>	<hr/> 1,368
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		<b>74</b>	65
Waste collection		<b>44</b>	38
Community wastewater management systems		<b>108</b>	108
		<hr/> <b>226</b>	<hr/> 211
<u>Other Charges</u>			
Penalties for late payment		<b>14</b>	16
		<hr/> <b>14</b>	<hr/> 16
Less: Discretionary rebates, remissions & write offs			
		<hr/> <b>1,713</b>	<hr/> 1,595
<b>STATUTORY CHARGES</b>			
Development Act fees		<b>18</b>	1
Town planning fees		<b>19</b>	4
Health & Septic Tank Inspection fees		<b>1</b>	1
Animal registration fees & fines		<b>8</b>	8
Other licences, fees, & fines		<b>4</b>	2
		<hr/> <b>51</b>	<hr/> 16
<b>USER CHARGES</b>			
Cemetery/crematoria fees		<b>3</b>	4
Property Lease		<b>18</b>	24
Cabin Hire & Powered Site fees		<b>53</b>	25
Mallee Kids Child Care Centre		<b>188</b>	136
Sales - general		<b>50</b>	18
Subsidies received on behalf of users			
Sundry			
		<hr/> <b>312</b>	<hr/> 207

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

	Notes	2021 \$'000	2020 \$'000
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		18	21
		<u>18</u>	<u>21</u>
<b>REIMBURSEMENTS</b>			
- for private works		3	4
- other			2
		<u>3</u>	<u>6</u>
<b>OTHER INCOME</b>			
Farm Fair contribution		147	-
Rebates received		65	66
Sundry		22	30
		<u>234</u>	<u>96</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		27	218
Untied - Financial Assistance Grant		1,545	1,698
Roads to Recovery		518	518
Special Local Roads		170	
Drought Community Funding		400	86
Pest & Weed Control		685	
FRRR		50	
LRCI		423	
BBRF		20	
LG Youth Led Recovery		50	
		<u>3,888</u>	<u>2,520</u>
		<u>4,794</u>	<u>2,520</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>AASB 1058 Recognition</b>			
Grants, Subsidies, Contributions per above		4,794	2,520
Grants Received in Advance 2019-20		(1,007)	(1,440)
Grants Received in Advance 2020-21		824	1,007
Adjusted Grants, Subsidies, Contributions received during the year		<u>4,611</u>	<u>2,087</u>
<b>Sources of grants</b>			
Commonwealth government		2,565	822
State government		2,229	1,698
Other		(1)	-
		<u>4,794</u>	<u>2,520</u>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 3 - EXPENSE**

	Notes	2021 \$'000	2020 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,134	1,061
Employee leave expense		174	151
Superannuation - defined contribution plan contributions	18	113	104
Superannuation - defined benefit plan contributions	18	2	2
Less: Capitalised and distributed costs		(146)	(136)
<b>Total Operating Employee Costs</b>		<b>1,276</b>	<b>1,182</b>
 <b>Total Number of Employees</b>		 <b>14</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		8	10
Elected members' expenses		96	83
Election expenses			1
Subtotal - Prescribed Expenses		<b>104</b>	<b>94</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		2,988	1,654
Materials		1,213	403
Energy		39	44
Legal Expenses		30	16
Levies paid to government - NRM levy		69	63
- Other Levies		37	31
Insurance		141	134
Other Expenses		467	260
Parts, accessories & consumables		433	430
Water		51	66
Less: Capitalised and Distributed Costs		(2,862)	(959)
Subtotal - Other Materials, Contracts & Expenses		<b>2,605</b>	<b>2,143</b>
		<b>2,709</b>	<b>2,237</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Structures		34	14
Stormwater Drainage		19	10
CWMS		62	54
Roads		978	975
Footpaths, Kerb & Gutter		29	29
Plant & Equipment		247	321
Furniture & Fittings		8	7
Buildings		171	161
Other Assets		47	37
		<b>1,594</b>	<b>1,608</b>



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

	Notes	2021 \$'000	2020 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		247	35
Less: Carrying amount of assets sold		125	109
<b>Gain (Loss) on disposal</b>		<u>122</u>	<u>(74)</u>
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		7	
<b>Gain (Loss) on disposal</b>		<u>7</u>	<u>-</u>
 <b>REAL ESTATE DEVELOPMENT ASSETS</b>			
Proceeds from disposal		71	15
Less: Carrying amount of assets sold		102	15
<b>Gain (Loss) on disposal</b>		<u>(31)</u>	<u>-</u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		 <u>98</u>	 <u>(74)</u>

**Note 5 - CURRENT ASSETS**

	Notes	2021 \$'000	2020 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		148	469
Deposits at Call		2,484	3,234
		<u>2,632</u>	<u>3,703</u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		233	213
Accrued Revenues		1	1
Debtors - general		30	8
Other levels of Government		32	36
GST Recoupment		49	27
Prepayments			3
		<u>345</u>	<u>288</u>
 <b>INVENTORIES</b>			
Stores & Materials		6	12
		<u>6</u>	<u>12</u>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 6 - NON-CURRENT ASSETS**

	Notes	2021 \$'000	2020 \$'000
<b>FINANCIAL ASSETS</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
<b>Inventories</b>			
Real Estate Developments		<u>229</u>	<u>331</u>
		<b>229</b>	<b>331</b>
Capital Works-in-Progress		<u>428</u>	
		<b>657</b>	<b>331</b>
<b><i>Real Estate Developments - Current &amp; Non-Current</i></b>			
<i>(Valued at the lower of cost and net realisable value)</i>			
<i>Residential</i>		<u>229</u>	<u>331</u>
<b><i>Total Real Estate for Resale</i></b>		<b><u>229</u></b>	<b><u>331</u></b>
<i>Represented by:</i>			
<i>Acquisition Costs</i>		<u>229</u>	<u>331</u>
<b><i>Total Real Estate for Resale</i></b>		<b><u>229</u></b>	<b><u>331</u></b>
<b><i>Apportionment of Real Estate Developments</i></b>			
<i>Non-Current Assets</i>		<u>229</u>	<u>331</u>
		<b><u>229</u></b>	<b><u>331</u></b>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

	2020				2021			
	\$'000				\$'000			
Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land - Other	1,140	-	-	1,140	<b>1,140</b>	-	-	<b>1,140</b>
Structures	615	109	(332)	392	<b>848</b>	<b>109</b>	<b>(385)</b>	<b>572</b>
Stormwater Drainage	612	452	(111)	953	<b>612</b>	<b>452</b>	<b>(130)</b>	<b>934</b>
CWMS	3,963	-	(1,326)	2,637	<b>4,832</b>	-	<b>(1,671)</b>	<b>3,161</b>
Roads	46,371	870	(17,334)	29,907	<b>46,013</b>	<b>1,277</b>	<b>(17,954)</b>	<b>29,335</b>
Footpaths, Kerb & Gutter	1,746	-	(621)	1,125	<b>1,746</b>	<b>140</b>	<b>(650)</b>	<b>1,236</b>
Plant & Equipment	-	2,737	(1,749)	988	-	<b>2,883</b>	<b>(1,517)</b>	<b>1,364</b>
Furniture & Fittings	-	55	(21)	34	<b>55</b>	-	<b>(29)</b>	<b>26</b>
Buildings	7,335	298	(3,546)	4,087	<b>9,202</b>	<b>612</b>	<b>(4,448)</b>	<b>5,365</b>
Other Assets	-	982	(202)	780	-	<b>1,663</b>	<b>(249)</b>	<b>1,414</b>
<b>Total IPP&amp;E</b>	<b>61,782</b>	<b>5,503</b>	<b>(25,242)</b>	<b>42,043</b>	<b>64,448</b>	<b>7,137</b>	<b>(27,032)</b>	<b>44,553</b>
<b>Comparatives</b>	<b>79,945</b>	<b>8,555</b>	<b>(39,509)</b>	<b>48,991</b>	<b>61,782</b>	<b>5,503</b>	<b>(25,242)</b>	<b>42,043</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 2021**

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

	2020 \$'000									2021 \$'000	
	Carrying Amount	Net Adjust AASB 16	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
			New / Upgrade	Renewals				In	Out		
Land - Other	1,140		-	-	-	-	-	-	-	-	1,140
Structures	392		-	-	-	(33)	-	-	-	215	572
Stormwater Drainage	953		-	-	-	(19)	-	-	-	-	934
CWMS	2,637		-	-	-	(61)	-	-	-	587	3,161
Roads	29,907		-	406	-	(978)	-	-	-	-	29,335
Footpaths, Kerb & Gutter	1,125		-	140	-	(29)	-	-	-	-	1,236
Plant & Equipment	988		-	749	(125)	(247)	-	-	-	-	1,364
Furniture & Fittings	34		-	-	-	(8)	-	-	-	-	26
Buildings	4,087		403	210	-	(171)	-	-	-	838	5,365
Other Assets	780		25	656	-	(47)	-	-	-	-	1,414
<b>Total IPP&amp;E</b>	<b>42,043</b>	<b>-</b>	<b>427</b>	<b>2,162</b>	<b>(125)</b>	<b>(1,592)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,640</b>	<b>44,550</b>
<i>Comparatives</i>	<b>48,991</b>		<b>69</b>	<b>1,026</b>	<b>(108)</b>	<b>(1,608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,327)</b>	<b>42,043</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 2021**

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

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

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

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

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

## District Council of Karoonda East Murray

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

#### 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
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
Right-of-use assets (refer Note 17)	2 to 3 years

**District Council of Karoonda East Murray**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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

**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 the 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 staff 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 at depreciated 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.

**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 2021**

**Note 8 - LIABILITIES**

	Notes	2021		2020	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		108	-	23	-
Payments received in advance*		1,261	-	2,872	-
Accrued expenses - other		15	-	-	-
Aged Care Facility Deposits		75	-	75	-
Other levels of Government		34	-	-	-
GST Payable		1	-	30	-
		<b>1,494</b>	<b>-</b>	<b>3,000</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>	

\* Payments received in advance represent grant revenue receipted in June 2021 ( or comparatives in June 2020) but not expended until the following year. Readers are referred to Note 2 as well as adjustments made to the Statement of Comprehensive Income for further information

**PROVISIONS**

Employee entitlements (including oncosts)	<b>194</b>	<b>10</b>	150	15
	<b>194</b>	<b>10</b>	150	15

*Amounts included in provisions that are not expected to be settled within 12 months of reporting date.*

**Movements in Provisions - 2021 year only**

*(current & non-current)*

	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance	-	-	165
Additional amounts recognised	-	-	39
Closing Balance	-	-	204



**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1/7/2020	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2021
<b>Notes</b>	\$'000	\$'000	\$'000	\$'000
Land - Other	611			611
Structures	375	215		590
Stormwater	301			301
CWMS	2,284	587		2,871
Roads	19,190			19,190
Footpath Kerb & Gutter	1,123			1,123
Plant & Equipment	726			726
Furniture & Fittings	30			30
Buildings	3,354	838		4,192
Other Assets	339			339
<b>TOTAL</b>	<b>28,333</b>	<b>1,640</b>	<b>-</b>	<b>29,973</b>
<b>Comparatives</b>	<b>34,660</b>	<b>(6,327)</b>	<b>-</b>	<b>28,333</b>

**PURPOSES OF RESERVES**

**Asset Revaluation Reserve**

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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	2021 \$'000	2020 \$'000
Total cash & equivalent assets	5	<u>2,632</u>	<u>3,703</u>
Balances per Cash Flow Statement		<u>2,632</u>	<u>3,703</u>

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

Net Surplus (Deficit)		1,644	(639)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,594	1,608
Net increase (decrease) in unpaid employee benefits		39	(1)
Grants for capital acquisitions treated as Investing Activity		(906)	
Net (Gain) Loss on Disposals		<u>(98)</u>	<u>74</u>
		2,273	1,042
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(57)	269
Net (increase) decrease in inventories		6	3
Net increase (decrease) in trade & other payables		<u>(1,506)</u>	<u>1,218</u>
<b>Net Cash provided by (or used in) operations</b>		<u>716</u>	<u>2,532</u>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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				
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Council Administration	3,764	2,730	1,274	1,148	2,490	1,583	936	972	4,947	4,761
Business & Economic Development	267	188	309	279	(43)	(91)	-	-	3,219	3,098
Community Support/Amenities	89	63	246	222	(158)	(159)	2,669	873	726	699
Environment	147	103	363	327	(216)	(223)	-	-	-	-
Health	2	1	7	6	(5)	(5)	-	-	-	-
Public Order & Safety	2	1	11	10	(9)	(9)	-	-	-	-
Recreation & Culture	66	47	421	379	(355)	(333)	-	1	388	373
Regulatory Services	48	34	87	78	(39)	(45)	-	-	-	-
Transport	1,788	1,260	2,527	2,277	(739)	(1,016)	1,189	674	37,025	35,629
Plant Depot & Other Purposes	48	34	333	300	(286)	(267)	-	-	1,888	1,817
<b>TOTALS</b>	<b>6,219</b>	<b>4,461</b>	<b>5,579</b>	<b>5,026</b>	<b>640</b>	<b>(565)</b>	<b>4,794</b>	<b>2,520</b>	<b>48,193</b>	<b>46,377</b>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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.

**Community Services**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**Culture**

Community Library Services, Heritage, Museums, and Other Cultural Services.

**Economic Development**

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

**Environment**

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

**Recreation**

Maintenance of various Parks and Gardens, Ovals and Playgrounds and Street Scaping. Contribution and Support to School Community Library, Historical Services and Maintenance of Pioneer Park and Various Community Halls.

**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 Hire & Depot & Other Purposes**

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

**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, LGGC – General Purpose, and Rates General.

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 12 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between a% and b% (2020: c% and d%). Short term deposits have an average maturity of e days and an average interest rates of f% (2020: g days, h%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of j% (2020: k%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

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

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

<b>Receivables</b> - Retirement Home	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities</b> - Creditors and Accruals	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Retirement Home Contributions	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
<b>Liabilities</b> - Interest Bearing Borrowings	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between l% and m% (2019: n% and p%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Finance Leases	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 16 as stated in note 17</p>

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

**Liquidity Analysis**

<b>2021</b>	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>2,977</b>	<b>2,977</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,371			1,371	1,479
<b>Total</b>	<b>1,371</b>	-	-	<b>1,371</b>	<b>1,479</b>
<b>2020</b>	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	3,703			3,703	3,703
Receivables	285	-	-	285	285
<b>Total</b>	<b>3,988</b>	-	-	<b>3,988</b>	<b>3,988</b>
<b><u>Financial Liabilities</u></b>					
Payables	3,000	-	-	3,000	3,000
<b>Total</b>	<b>3,000</b>	-	-	<b>3,000</b>	<b>3,000</b>

**Net Fair Value**

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

Risk Exposures:

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

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

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

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 13 - COMMITMENTS FOR EXPENDITURE**

	<b>2021</b>	<b>2020</b>
<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure commitments in relation to investment properties:		
Audit Services	452	4
Employee Remuneration Contracts	93	474

**Note 14 - FINANCIAL INDICATORS**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	10.3%	-12.7%	8.9%
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>	-21%	-19%	-19%
Total Operating Income			

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

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	134%	69%	130%
Net 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 2021**

**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>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Income	<b>6,219</b>	4,461
Expenses	<b>(5,579)</b>	(5,026)
<b>Operating Surplus / (Deficit)</b>	<b>640</b>	(565)
 <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	<b>(2,590)</b>	(985)
Add back Depreciation, Amortisation and Impairment	<b>1,594</b>	1,608
Proceeds from Sale of Replaced Assets	<b>247</b>	35
	<b>(749)</b>	658
 <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>	<b>(427)</b>	(69)
Amounts received specifically for New and Upgraded Assets	<b>906</b>	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<b>78</b>	15
	<b>557</b>	(54)
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>448</b>	39

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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 (9.50% in 2019-20; 9.50% in 2020-21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

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

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(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 Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

**Contributions to Other Superannuation Schemes**

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

**District Council of Karoonda East Murray**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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.

At reporting date, Council controlled 1,299km of road reserves of average width 8 metres.

**2. POTENTIAL INSURANCE LOSSES**

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to 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 no 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 2021**

**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, 11 persons were paid the following total compensation:

	<b>2021</b>	2020
	\$	\$
Salaries, allowances & other short term benefits	457	505
Post-employment benefits		
Long term benefits		
Termination benefits		
<b>TOTAL</b>	<b>457</b>	505

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

No amounts were received by or from Council's Key Management Personnel during the 2020-21 Financial Year in any of Council's operating activities.

**District Council of Karoonda East Murray**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

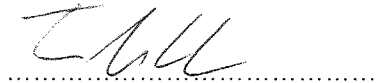
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Coalface SA Council for the year ended 30 June 2021, the Council's Auditor, Steven Russo from PKF Adelaide, 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: 9/11/2021

## Auditor's Independence Declaration

To Chief Executive Officer of  
District Council of Karoonda East Murray

### **Auditor's Independence Declaration under Section 16A of the *Local Government (Financial Management) Regulations 2011* to the Members of the District Council of Karoonda East Murray.**

As lead engagement partner for the audit of District Council of Karoonda East Murray for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the independence requirements of the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*, made under the that Act, in relation to the audit of the financial statements; and
- No contraventions of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Boards.

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

PKF Adelaide



Steven Russo  
Partner  
Level 9, 81 Flinders Street  
ADELAIDE SA 5000

Dated: 9 November 2021

## Independent Auditor's Report

To the members of District Council of Karoonda East Murray

### *Opinion*

We have audited the accompanying financial report of District Council of Karoonda East Murray, which comprises the statement of comprehensive income, the statement of financial position as at 30 June 2021, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Chief Executive Officer's declaration.

In our opinion, the accompanying financial report of District Council of Karoonda East Murray is in accordance with the *Local Government (Financial Management) Regulations 2011*, including:

- (a) giving a true and fair view of the Council's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

### *Basis of 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 District Council of Karoonda East Murray in accordance with the *Local Government (Financial Management) Regulations 2011*, and 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.

### *Chief Executive Officer's Responsibility for the Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on the audit. Our objectives for the audit 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.

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## Independent Auditor's Report (Cont.)

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

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

We communicated with the Chief Executive Officer 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 identified during our audit.

### *Independence*

In conducting our audit we have complied with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011*, and the Australian professional accounting bodies.

PKF Adelaide



Steven Russo CA RCA  
Partner  
Level 9, 81 Flinders Street  
ADELAIDE SA 5000

9<sup>th</sup> of November 2021