



# ANNUAL REPORT

## 2019/2020



**District Council of Franklin Harbour**

Adopted: 11<sup>th</sup> November 2020  
Res: 77/11/20

## **Vision**

A proud, growing and unified community benefiting from a diverse and environmentally sustainable economic base.

## **Mission Statement**

The District Council of Franklin Harbour will provide our community with:

- ~ A high standard of essential services in an efficient manner
- ~ Positive leadership
- ~ Representation of our needs to the wider population
- ~ Stimulus for economic growth
- ~ Sound management of our valuable natural environment

## **Council Goals**

### **Community Wellbeing**

*Maximise the benefit to the community from improved community services*

### **Economic Wellbeing**

*To foster a diverse and growing economic base that results in an increase in employment and population*

### **Natural and Built Environment**

*Maintain our high quality living environment*

### **Governance and Organisation**

*A professional, effective and customer oriented organisation playing the leading role in community development*

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## MAYOR'S REPORT



**Robert Walsh**  
**MAYOR**

The last 12 months has been a busy one for our Council. Shane Gill was appointed as the new Chief Executive Officer in November 2019 and has fitted in extremely well. Shane hit the ground running with the finalisation of our 38 km Coolanie Water Scheme being left in his capable hands. This water scheme is an example of what Local Councils can achieve when support from both State and Federal Government departments provide adequate funds to Local Councils for infrastructure that provides water security.

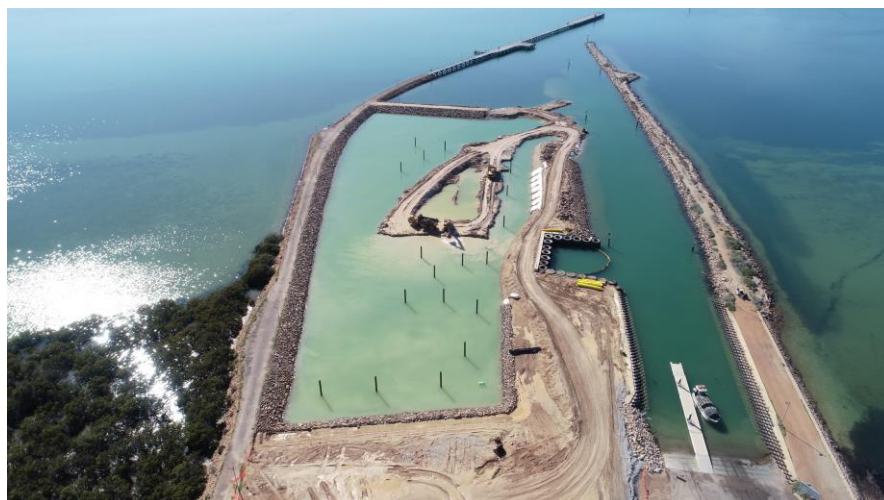
Our Foreshore upgrade and digging of the Marina are advancing quite nicely and has created much needed employment for our locals. The COVID 19 restrictions still allowed this project to continue, which in turn meant that support to our local businesses during a decline in visitors to Cowell was greatly appreciated.

The new bunker site and Port at Lucky Bay opened last year, hopefully they will enjoy a larger tonnage of grains this year. Crops around the District are mostly better than last year, although some areas have missed out terribly for the 3rd year in a row. The dredging at Lucky Bay is very beneficial to the Shacks shoreline where the clean sand dredged from the channel entrance is being placed on the beach.

Sealing of the road to Port Gibbon has continued throughout 2019/2020 and Council has been successful in receiving further funding for 2020/2021. The completion of this project will provide a huge boost for Tourism. Council has also been fortunate in receiving funds through the Drought Communities Program. The funds have been allocated amongst a number of projects throughout the community including: building of the new Netball change rooms, a playground at Lucky Bay, Eco Pods at Port Gibbon, RSL Museum upgrade and improvements, Agricultural Museum improvements, History Museum Improvements, seating area at the Cowell Sports Complex and Cowell Cemetery upgrades. All these projects provide certainty for our towns future.

Embracing the opportunities, like T Ports at Lucky Bay, the Oyster Hatchery, Marina and the Coolanie Water Scheme, are fantastic reflections of what can be achieved in such a short period of time.

In closing I would like to thank our Cowell citizens and staff for their continued support.



*Foreshore Marina under construction (October 2020)*

*Cowell*

## **CHIEF EXECUTIVE OFFICERS REPORT**



**Shane Gill**  
**Chief Executive Officer**

It certainly has been an eventful year, both here in Franklin Harbour and indeed in the wider world.

I took over as CEO at the beginning of November 2019, in time to oversee the completion of the Coolanie Water Scheme, the commencement of the construction of the Cowell marina, and a few months later the world completely changed with the rise of the COVID-19 global pandemic and the associated climate of fear, the “hard lockdowns” and the virtual shutting down of the economy.

### **COVID-19**

Our community did well during the COVID-19 shutdowns, quietly and sensibly going about their business while adhering to the restrictions without complaint. We had a group of around 20 interstate caravaners “trapped” here for the duration of the shutdown which gave the local economy a boost, and clearly these visitors enjoyed their stay because at least one of them has purchased property here and is staying on.

Behind the scenes there was much work done at Local Government level; working closely with the State and Federal Governments, planning for worst case scenario’s which thankfully did not eventuate. What could have been a medical disaster once again shone the spotlight on our lack of a resident doctor. Remediating this situation continues to be a priority.

### **FINANCES**

This year we have conducted a full in-depth review of our finances, both current and long term.

Given the size of the projects we currently have underway it was considered prudent to ensure that our finances are robust and accurate to ensure that we can confidently and responsibly take on the additional debt required to complete these projects and have a realistic plan to repay the debt in a timely manner.

As part of this review our Foreshore redevelopment was rescoped, reducing the total cost by \$2.2 million while maintaining the original grant funding amount (\$3 million). This reduced council’s contribution significantly, from \$3.55 million to \$1.35 million.

### **NEW ELECTED MEMBER**

In 2020 we welcomed a new and enthusiastic elected member to the team. Welcome to Rachel Deer who is clearly passionate about her community and willing to work hard for its betterment.

### **MARINA**

Our project to construct a 34-berth marina commenced in November 2019 and is now anticipated to be complete by Christmas 2020. We are very pleased with how the marina is shaping up now, and locals and tourist alike are commenting on what an asset this will be to Cowell.

## **FORESHORE PROJECT**

After more than 10 years “in the pipeline”, the redevelopment of the Cowell foreshore precinct will become a reality in 2020/21 with construction of the Marina building scheduled to commence in November. Our aim is to complete the entire project by the end of 2021. This is a \$4.35 million project designed to both improve the liveability of Cowell for its residents and to improve its appeal as a tourist destination. The key components of the project are:

- 1) Marina building – incorporating toilets/showers/café and a large undercover area overlooking the marina
- 2) Second Street extension – new road diverting oyster punt traffic away from play/recreational areas
- 3) Water playground/nature play area
- 4) Relocation of War Memorial and landscaping/paving.

This is a very ambitious project for a small Council but it is much needed, well overdue, and the combination of this project and the new Marina will be truly transformational to Cowell.

## **THE AGRICULTURAL SECTOR**

2019 was another disappointing season for our farmers. 2020 is looking much more positive and with a wetter second half forecast we are hoping for a much better season.

The 2019 season did see a positive with the opening of the T-Port grain receiving/transshipment facility at Lucky Bay, which saves on transport time/cost and delivers better prices direct to farmers. T-Ports has been welcomed and supported by farmers across the district and beyond.

The building of both this facility, and the marina at Cowell have provided much needed jobs for our area, and some much need economic stimulus during a difficult year with both COVID restrictions and drought.



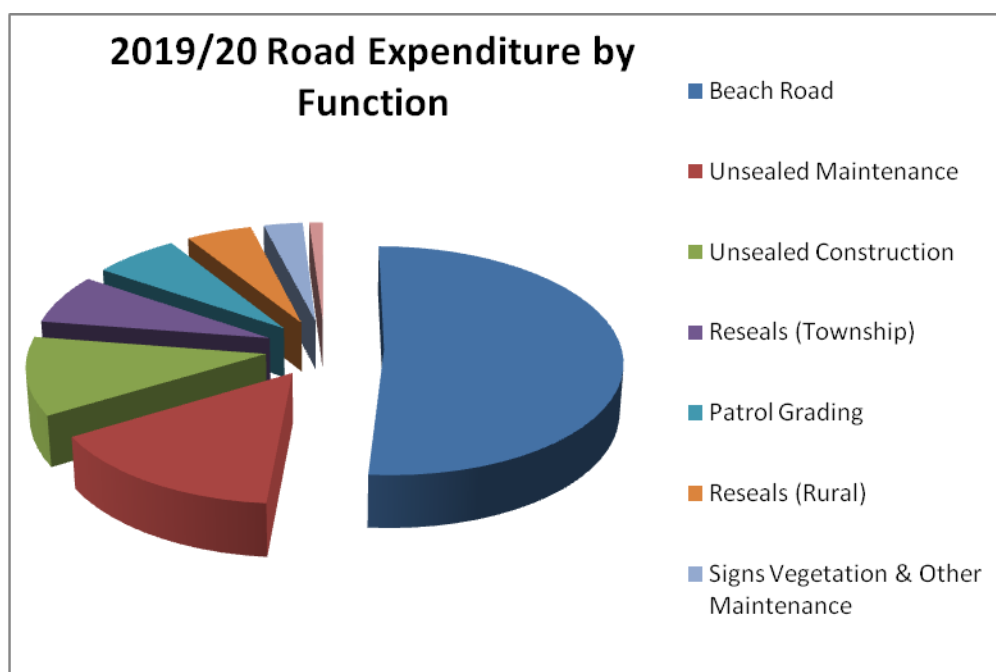
Cowell Jetty

## WORKS MANAGER'S REPORT



**Darren Zechner**  
**Works Manager**

Council maintains a road network of 716km consisting of 638km of unsealed rural roads, 58km of sealed rural roads and 20km of sealed roads within townships. A program of Patrol Grading, rubble re-surfacing, patching and resealing has been developed to ensure the provision of this service within acceptable standards. Sealed roads in particular are expensive to repair if the sealed surface is not renewed periodically. A total of \$1.95M was spent on roads and related infrastructure in 2019/20. A break up of road expenditure by function is illustrated in the following chart:



In addition to roads Council also, maintains parks and reserves in the district, operates 2 Community Wastewater Systems, a Waste Depot, 2 potable water supply schemes and an Aerodrome.

### **WORKS PROJECTS COMPLETED FOR THE 2019/20 YEAR**

#### **Beach Road**

Works have continued on Beach Road with a 6.2km section extending from Bluebush Rd to Wildman Rd being sealed with a 2 coat seal. A further 2.8km was constructed ready for seal finishing at Starr Rd. Council has been successful in receiving ongoing funding from the Special Local Roads Program to fully construct and seal the remaining 11.2km of the road into Pt Gibbon.

#### **Coolanie Water Scheme**

The Coolanie Water Scheme was funded jointly by Council and the National Water Infrastructure Development Fund (\$1.215M), the total project cost was \$1.56M.

The Scheme consists of 10.15km of supply mains starting from a SA Water Connection on Millers Point Road, extending up the Cowell Kimba Rd and re-pressurized by 2 fully automated and monitored pump

stations to feed a 500KL Header Tank at White Hill which supplies 29.16km of gravity mains. Currently there are 18 farm connections to the Scheme spread out to Glynn Rd.

This was indeed a challenging project, with delays in final approval for funding pushing a start date out to October 2019 and a final Project deadline of 15 April 2020 leaving a 7 month window to complete a mammoth task. Council utilized a core of permanent staff supplemented by casual labour and extensive use of local contractors to install the 39km of pipe and associated infrastructure. With over 6,500 pipe joints, only 2 leaks were detected once the lines were commissioned and one of these was a pipe manufacturing fault.

I congratulate all concerned for their commitment and excellent standard of work toward establishing an asset that will increase farm values in the District and improve production diversity for generations to come.

**Rural Roads**

This year localized rubble re-sheeting was carried out on Glynn, Scenic Highway and Schultz Roads. A 5km section of Cowell Kimba Rd from Pollies Plain to Glynn Rd and Harbour View Drive were resealed.

**Town Sealed Roads**

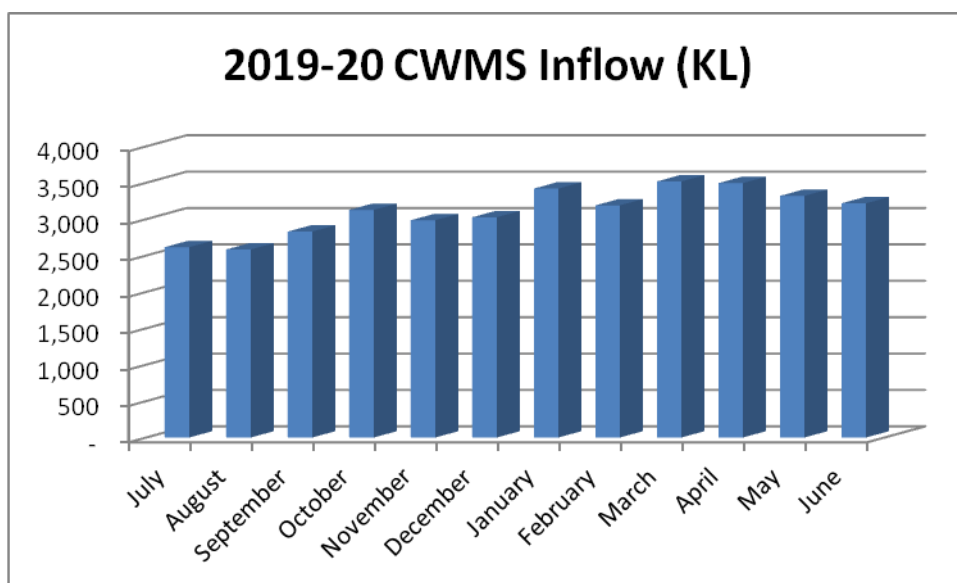
In addition to sealing works above, sections of High St, Melrose Rd, Lincoln Highway (Parking lane) and Fifth St were resealed.

**Plant Replacements**

Council maintains a fleet of plant/vehicles that suit operational needs; regular review and replacement is required as they near the end of their economic lives. This year Council replaced its 15 year old Hitachi Excavator with a Cat 320GC.

**Cowell CWMS**

Local plumbers are continuing to connect properties in Cowell to the CWMS. At the end of this financial year approx. 79% were completed; a total of 37.32ML of waste water was collected and treated to meet the required standards, 23.57ML was recycled for irrigation use on the Town Oval replacing the potable supply. Inflow statistics are represented by month below.





## Compliance

Dog registrations are now in the third year of being managed by the DACO system.

This year we had 206 registered animals in the district. Council received eight (8) wandering dog complaints and four (4) dog attacks were registered. Five (5) of these dogs were impounded.

79% of the total registered dogs were microchipped and 57% were de-sexed. As from July 2018, it is mandatory to de-sex any dog born after this date (with the exemption for working dogs or registered breeders) and all dogs and cats are to be microchipped.

## CONCLUSION

In closing I would like to thank the team of outdoor and Depot staff for a productive and safe year and I look forward to meeting the challenges with you all that the coming year presents.



*Construction along the Coolanie Water Line*

## **TOURISM OFFICER REPORT**



**Stacey Franklin**  
**Tourism Officer**

Council has committed substantial resources to increase our appeal to visitors and the local community this year by focusing on the foreshore redevelopment. During the year this project has seen huge progress in the design and approval process and we will start to see construction in late 2020.

The Drought Communities Programme was offered to us again this year where Council again committed some of the funding to tourism projects. We will see the construction of two accommodation pods at Port Gibbon and a bouncy pillow to complement our foreshore redevelopment at the Lions Park. These projects have again been in the design and approval process this year and we will see their construction in 20/21.

Council was also eligible for funding from the Commonwealth under the Local Roads and Community Infrastructure Program where funds were allocated to finalising the Point Gibbon campsite. This project forms part of the Eyre Peninsula-wide Eyes on Eyre project where key campsites around the region have been earmarked for upgrading. It will be great to see a toilet facility at this site along with approx. 14 designated camping sites.

Other key projects that we have undertaken throughout the year have been:

### **Silo Art**

The Franklin Harbour Community Development Group successfully completed this project by securing funding from the Foundation of Rural and Regional Renewal and engaging with artist NITSUA. This project was completed in September 2019. During and since the completion of this project there has been publicity on TV and social media and we have also seen a lot of cars pull off the highway and into the oval area to view the artwork. Our silos also feature in the 2021 Australian Silo Art Trail Calendar.

### **South Aussie With Cosi**

In conjunction with other Council's on the Eyre Peninsula, South Aussie with Cosi was in Cowell for a day to film some of our attractions which will be aired on his TV show later in 2020.

### **Cowell Visitor Guides**

The Cowell visitor guide had a makeover this year with a new size and look. We have printed these in A5 and have included lots of information including the historical town walk and town and district maps.

### **Bike SA**

In September 2019 we hosted 190 guests for Bike SA's Annual Tour. This was a fantastic opportunity for exposure to our town and also a great fundraising opportunity for local groups.

### **Pyrotechnics Night**

On 28 December 2019 this hugely successful event was held in conjunction with the Lions Club markets being held in the afternoon and live music from 6pm.

### **Camping**

During the second half of 2019 we started to see a substantial increase in camping nights compared to the same period the previous year. February 2020 saw a 48% increase compared to February 2019, this trend was continuing until the last week in March 2020 when COVID-19 was becoming a concern for interstate visitors and the threat of state borders closing. During this time, we saw a mass departure of visitors to

return to their homes or home states. Since this time, we have experienced less camping nights than anticipated pre COVID-19. Now, as COVID-19 restrictions ease, it has prompted more intrastate travel and we have seen many South Australian visitors pass through or camp in our district.

In April 2020 Council increased the camping fees to \$15 per night or \$75 per week at Port Gibbon and Lucky Bay and \$10 per night or \$50 per week in all other campsites.



*Caravanning at "Beach Access" on Beach Road*

# **MANAGER CORPORATE SERVICES REPORT**



**Bernadette Clelland**  
**Manager Corporate Services**

## **ADMINISTRATION**

It has been another hectic year for the administration team during 2019/2020. Council was successful in receiving grant funding to construct a new water line for the Coolanie District, development of the new marina and Foreshore area has commenced and applications for connection to the Community Wastewater Management Scheme continue to trickle in. Council were fortunate to receive an additional \$1,000,000 Drought Funding and the projects identified to receive these funds are underway with funds needing to be expended by 31 December 2020.

### **Employee Training**

COVID-19, and the restrictions imposed because of it, has made organising training that was due to be undertaken in the second half of the financial year difficult. Although some training has had to be postponed, employee training that has been undertaken includes the following: RTW Training for Injury Rehabilitation Coordinators (IRC) / Injury Claim Coordinators (ICC)'s, Understanding & Applying Records Disposal Schedule GDS40, Chemsafe User Training, I-Responda, Manual Handling, Chemical Accreditation, Drum Muster, Work at Heights, Chainsaw Operation & Maintenance and Workzone Traffic Management.

The health and wellbeing of our employees is important to Council and we offer a number of opportunities that may help people to make informed life and wellbeing choices. These included:  
Yearly health assessments - through the LGAWCS program employees are offered a health assessment  
Healthy Lifestyle Program – included healthy eating plan 10 week challenge through the LGAWCS program  
Skin Cancer Screenings – through the LGAWCS program and Flu Vaccinations which are offered annually.

### **Human Resources**

There were no industrial issues that affected the workplace in 2019/2020. Council appointed a new Chief Executive Officer in November 2019 after Chris Smith announced his retirement. A number of casual employees were hired to assist in the construction of the Coolanie water line and other Council projects. We welcome all our new employees and thank all our staff for their continued support, hard work and dedication.

## FINANCE

Rates, Income and Expenditure are fully reported in the Annual Financial Statements, which are included with this annual report. (Attachment 2)

### Rates Rebates

Section 23(4) of the Local Government (Implementation) Act 1999, required Council to submit to the presiding members of both Houses of Parliament a report relevant to rate rebates for retirement villages and related matters.

During the 2019/2020 Financial Year, no applications for rebates of rates under Section 166(1) (h) of the Local Government Act 1999 were received.

### 2019/2020 Budget and Rates

The Council meeting held on 26<sup>th</sup> June 2019 adopted the 2019/2020 Budget and declared the rates for the new financial year.

The Budget included total revenue of \$3,557,000. Major capital expenditure items were Local Road and Footpath Construction of \$1,450,500, Foreshore Redevelopment of \$4,000,000 and vehicle/plant replacement of \$180,000. Total rate revenue to be raised was budgeted at \$1,273,431.

## DEVELOPMENT STATISTICS

During the 2019/2020 financial year there were 36 Development Applications lodged for Council approval.

These included:

- 4 Dwellings and Relocatable Houses
- 13 Domestic Extensions/Renovations/carports
- 13 Sheds
- 2 Commercial Alterations
- 4 other Applications

Total Developments: \$2,742,430



*Boating in Franklin Harbour*

# GOVERNANCE

## Council structure

The District Council of Franklin Harbour has six elected members.  
The term of the new Council commenced from November 2018, for a four year term.  
The November 2018 Council meeting elected the following:-

Mayor:	Councillor Robert Walsh
Deputy Mayor:	Councillor Daven Wagner

The Elected Members of Council are:-

Mayor	Cr. Robert Walsh	Cowell	0429 862 922
Deputy Mayor	Cr. Daven Wagner	Cowell	0428 618 175
Councillors	Cr Rachel Deer	Cowell	0427 005 720
	Cr. Geoff Giles	Cowell	0428 855 909
	Cr. Terry Rehn	Cowell	0428 292 239
	Cr. Sharran Franklin	Cowell	0427 296 001

The elected members determine Council policies and programmes, which are implemented by Council's Senior Managers and the workforce as per the decision-making structure represented in the Annual Information Statement.

## Members' allowances

The following Members' Allowances have been determined for the term of the current Council:-

Mayor	\$26,000.00 - per annum (increasing by CPI annually)
Deputy Mayor	\$ 8125.00 - per annum (increasing by CPI annually)
Councillors	\$ 6,500.00 - per annum (increasing by CPI annually)

Allowances are payable quarterly in arrears.

## Training and development

Council members are provided with the opportunity to undertake Training and Development during their term of office. The majority of these opportunities are provided through the Local Government Association of SA. Other professional development opportunities are available, upon approval of Council.

## Committee allowances

Audit Committee -	Independent Audit Committee Member
	\$4,000 per annum

Council's Auditor, Dean Newberry and Associates, have been appointed for a period of five years, this term expires at the end of the 2019/2020 financial period. Ian McDonald FCA has been appointed as Council's new auditor.

## Senior Executive Officers' Remuneration

Council's Senior Executive Officers are as follows:-

Chief Executive Officer – SA Gill	Contract L.G. Superannuation scheme 9.5% of Salary Telephone/Internet Provision Subsidised House Rental Vehicle Allowance
Works Manager – DJ Zechner	MOA; Senior Officer Stream 3.3 + EBA LG Superannuation Scheme 9.3% of Salary Subsidised House Rental Telephone Provision Private Vehicle Use
Manager Corporate Services – BM Clelland	MOA, Senior Officer Stream 4.2 + EBA LG Superannuation Scheme 9.3% of Salary

## Registers

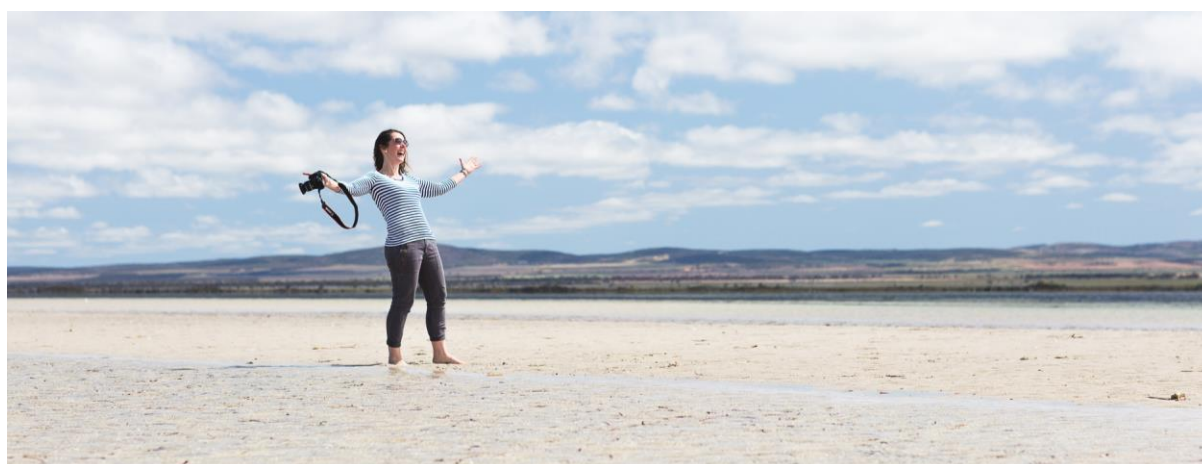
Council has compiled the following Registers in accordance with the provision of the Local Government Act 1999:-

- Register of Public Roads
- Register of Community Land and Management Plans
- Register of Interests – Elected Members
- Register of Allowances and Benefits
- Register of Interests – Senior Staff
- Register of Salaries
- Register of By-Laws
- Register of Hazardous Substances

## Codes of practice

Council has adopted the following Codes of Practice in accordance with the Provisions of the Local Government Act:-

- Code of Conduct for Employees
- Code of Conduct for Council Members
- Code of Conduct for Council Contractors
- Code of Practice for Public Access to Council and Committee Meetings and access to Minutes and Documentation.



*On the 'Sand Bar'*

# **POLICY MANUAL**

Council has adopted the following policies which form Council's Policy Manual:-

## **Governance**

Abuse of Staff Policy  
Acting Chief Executive Officer Policy  
Caretaker Policy  
Cemetery Policy  
Council Member Conduct Complaint Handling Policy  
Complaint handling Policy  
Elected Members Allowances and Support Policy  
Employees Private Use of Council Plant  
Expiation Waiving Policy  
Fraud and Corruption Prevention Policy  
Good Governance & Administrative Practice Policy  
Induction for New Council's Policy  
Informal Gatherings Policy  
Internal Review of Council Decisions Policy and Procedure  
Network Access and Acceptable Use Policy  
Order Making Policy  
Privacy Policy  
Public Consultation Policy  
Public Interest Disclosure Policy  
Request for Service Policy  
Road Names (and Sale of Roads) Policy  
Social Media Policy  
Training and Development Policy  
Tree Management Policy  
Workplace Bulling Policy

## **Financial Management**

Debt Management Policy  
Financial Hardship Policy  
Hardship Policy for Residential Customers and Minor and Intermediate Water Retailers  
Internal Control Policy and Procedure  
Purchasing/Tendering/Contracting Policy  
Treasury Management Policy

## **Strategic Management**

Australia Day Awards Policy  
Records Management Policy  
Rural Roads Hierarchy and Service Levels Policy

## **Risk Management**

Risk Management Policy & Framework  
Installation of Pipeline under Council Road Policy  
Temporary Placement of Portable Furniture Signage and Structures in Public Places Policy and Guidelines  
Volunteer Management Policy & Procedure

## **Environmental Protection**

Involvement in Emergency Response Operations in Support of CFS Policy  
Fire Management – Burning Policy  
SA CFS Grassland Fuel Curing and Greening Policy



### **Planning and Community Services**

Building Inspection Policy  
Community Events Policy  
Land Development Policy  
Lucky Bay Water Supply Management Plan Policy  
Swimming Pool Inspection Policy  
Community Bus Policy  
Signage Policy

### **ESCOSA Charters**

Customer Charter – Sewerage Services  
Customer Charter – Water Services  
Customer Complaints Policy

### **Work Health & Safety**

Communication and Consultation Policy  
WHS Administration Policy  
Contractor Management Policy  
WHS Emergency Management Policy  
Hazard Management Policy  
Hazardous Work Policy  
Return to Work Policy  
Drug & Alcohol  
Smoke Free Workplace Policy

These Policies are reviewed regularly.



*Historic ruins at 'Middlecamp'*

## AUDIT COMMITTEE

The Audit Committee has been formally appointed pursuant to the requirements under the Local Government Act 1999 (the Act) and the Local Government (Financial Management) Regulations 2013.

The activities of the Audit Committee are governed by its terms of reference together with the Audit Committee work program.

This report provides a summary of activities undertaken by the Audit Committee during the year ending 30 June 2020.

### Committee Membership and Meetings Attended

The Audit Committee met on three (3) occasions.

Member	Meetings Attended
R.J. Walsh (Chair)	3
D. M. Wagner	3
M. Pomeroy (Independent Member)	3

### Activities

The table that follows represents the completed work program for the meetings held in the year ending 30 June 2020.

Activity	Meeting Date
Reviewed and discussed the Auditors' Interim Audit Report 2020 as well as managements responses to the matters raised	Jul 2020
Reviewed and provided advice to Council in relation to Councils 2020-21 Draft Annual Business Plan & Budget	Jul 2020
Established an Audit Committee Work Program	Jul 2020
Appointed Ian McDonald FCA as Auditor for the Financial years Ending 30 June 2021 to 30 June 2026	Jun 2020
Reviewed and discussed 2018-19 Draft Annual Financial Statements	Sep 2019
Reviewed and discussed the Auditors Balance Date Management letter for the 2018-19 Audit as well as managements responses to the matters raised	Sep 2019
Management presented and discussed with the Committee the Local Government Risk Services Risk Management Policy & Framework	Sep 2019
Management presented and discussed an updated draft long term financial plan	Sep 2019
Management presented and discussed a report that compared financial information from the budget with the final audited 2018-19 Annual Financial Statements	Sep 2019

### Improvements implemented for the 2020-21 Financial Year

From the 2020-21 year, Council have engaged an independent advisor who is an expert in Local Government Audit Committees to assist Council meet its financial governance requirements. This will ensure that moving forward that:

- staff arrange for a minimum of four meetings to be held each year; and
- the Audit Committee Work Program is kept up to date; and
- the Audit Committee Work Program is consistent with the Audit Committee terms of reference as well as legislative requirements.



*Old Jetty – Port Gibbon*

## **STRATEGIC MANAGEMENT PLAN**

In 2016 a major review was undertaken of the Strategic Management Plan which resulted in the updated Strategic Management Plan 2017 – 2021 being developed.

The Strategic Plan provides a focus for Council’s operations, and provides the Vision, Goals and Objectives of our community.

**Operational Summary**

Objectives	Progress 2019/2020
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**Goal 1 - Maximise the benefit to the community from improved community services**

1.01.01	Ensure the delivery of appropriate health services to the community	<ul style="list-style-type: none"> <li>• Provision of medical services ie Doctors - Ongoing – Whyalla Doctors have taken over the surgery practice 2 days per week.</li> <li>• Further work being undertaken to arrange for a full time doctor service to be available to Cowell</li> </ul>
1.03.02	Provide high quality sporting and recreational facilities	<ul style="list-style-type: none"> <li>• Establish bicycle trails in appropriate locations along the coast and other areas - incomplete</li> </ul>

**Goal 2 – To foster a diverse and growing economic base that results in an increase in employment and population**

2.01.01	Maximise the potential of the tourism industry	<ul style="list-style-type: none"> <li>• Progress the Foreshore Redevelopment as Council’s number one priority, to enhance the towns attractiveness and liveability – construction of the marina and earthworks has commenced – ongoing project</li> </ul>
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**Goal 3 – Maintain our high quality living environment**

3.06.04	Provide high quality footpaths and roads	<ul style="list-style-type: none"> <li>• Promote Road Traffic Safety in the community – some footpaths around town have been upgraded – ongoing</li> </ul>
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**Goal 4 – A professional, effective and customer oriented organisation playing the lead role in community development**

4.06.01	Support and recognise the efforts of local volunteers	<ul style="list-style-type: none"> <li>• Assist in the coordination of volunteer efforts in association with community groups - incomplete</li> </ul>
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**Goal for 2020/2021**

**Objectives****Goals for 2020/2021****Goal 1 - Maximise the benefit to the community from improved community services**

1.01.01	Ensure the delivery of appropriate health services to the community	<ul style="list-style-type: none"><li>• Full time medical service</li></ul>
1.01.03	Maintain a strong relationship with Eastern Eyre Health & Aged Care Inc and Country Health SA	<ul style="list-style-type: none"><li>• Liaise with Health Services regarding community needs</li></ul>

**Goal 2 – To foster a diverse and growing economic base that results in an increase in employment and population**

2.01.01	Maximise the potential of the tourism industry	<ul style="list-style-type: none"><li>• Complete the Foreshore Redevelopment as Council's number one priority, to enhance the towns attractiveness and liveability</li></ul>
2.01.03	Establish shelter and camp facilities in strategic locations along the coast	<ul style="list-style-type: none"><li>• Develop camping areas in and around Port Gibbon</li></ul>

**Goal 3 – Maintain our high quality living environment**

3.08.01	Establish or improve playground equipment at appropriate locations	<ul style="list-style-type: none"><li>• Construct playground at Lucky Bay</li></ul>
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**Goal 4 – A professional, effective and customer oriented organisation playing the lead role in community development**

4.01.02	Ensure the ongoing review of Council's Strategic Plan	<ul style="list-style-type: none"><li>• Review Council's Strategic Management Plan</li></ul>
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## **SUBSIDIARIES**

Council has not established any Subsidiaries pursuant to Section 42 of the Local Government Act, 1999. Council currently is a member of the Eyre Peninsula Local Government Association (regional subsidiary) that falls within the provision of section 43 of the Local Government Act 1999. This regional subsidiary produces its own annual report. Clause 28 of schedule 2 of the Local Government Act 1999 provides that each constituent council must incorporate this annual report into its own annual report. This document can be found as attachment 3 to this report.

## **APPLICATION OF COMPETITION PRINCIPLES**

During the 2019/2020 Financial Year, Council has not conducted any significant business activities.

## **CONFIDENTIALITY PROVISIONS**

Pursuant to the provisions of Section 90 (2) of the Local Government Act 1999, a Council or Council Committee may order that the public be excluded from attendance at a meeting in order to receive, consider or discuss a matter confidentially. Section 91 (7) of the Local Government Act 1999 provides that a Council may keep a document or minutes of such consideration, review or discussion, confidential. These provisions were used six (6) times by Council during the 2019/2020 financial year.

## **ELECTOR REPRESENTATION**

Council's representation quota (electors per member) is 157. The average representation quota for councils of a similar size and type is 150.

Council completed a review of Elector Representation and composition pursuant to Section 12(4) of the Local Government Act 1999, as amended, in April 2013. Council is required to conduct such a review at least once every eight years. Council will undertake a further representation review in the 2020/2021 financial year.

## **INTERNAL REVIEW OF COUNCIL'S ACTIONS**

Pursuant to Section 270 of the Local Government Act 1999, Council has established procedures for the review of decisions of the Council, employees of the Council or other persons acting on behalf of the Council.

In accordance with Section 270(8) of the Act, Council reports that zero (0) applications for review of decisions was received for the 2019/2020 financial year.

## **COMMUNITY LAND MANAGEMENT PLANS**

All land except roads held as at 1 January 2000 is classified as "community land" unless Council resolves to exclude it from that classification. The intention behind the legislation is that Council, in consultation with the community, should determine which land should or should not be classified as community land.

Where the land is under the care, control and management of a Council, but is not owned by the Council, the Council cannot resolve to exclude the land from classification as community land without the approval of the relevant Minister.

Management Plans are required for land that is, or is to be, occupied under a lease of licence of land that has been, or is to be, specifically modified or adapted for the benefit or enjoyment of the community. Such plans have to be prepared for land held as at 1 January 2000 by the 1 January 2005, and land acquired after 1 January 2000, as soon as practicable after the requirement for the plan arises.

A person must not use community land for a business purpose unless the use is approved by Council. The Council cannot approve the use of community land for a business purpose contrary to the provisions of the management plan.

As required under the Local Government (Implementation) Regulations 1999, Council completed a register of all Council and Community lands prior to 1 January 2003. The Community Land Register and Management Plan was completed in 2016.

## **FREEDOM OF INFORMATION**

This information summary is published by the District Council of Franklin Harbour in accordance with the requirements of the Freedom of Information Act 1991.

Council welcomes enquiries under the Freedom of Information Act.

### **Policy and Administrative Documents**

The District Council of Franklin Harbour policies and administrative documents are listed separately in this Annual Report, and include:

- Ordinary Council Meeting Agendas
- Committee Minutes
- Council By-Laws
- Policy Manual
- Annual Financial Statements
- Development Plan
- Committee Agendas
- Budget Statements
- Ordinary Council Meeting Minutes
- Annual Report
- Assessment Book

These documents are available for public inspection at the Council office between 9am and 5pm Monday to Friday. Members of the public may also purchase copies of these documents at the prescribed fee, from the Chief Executive Officer.

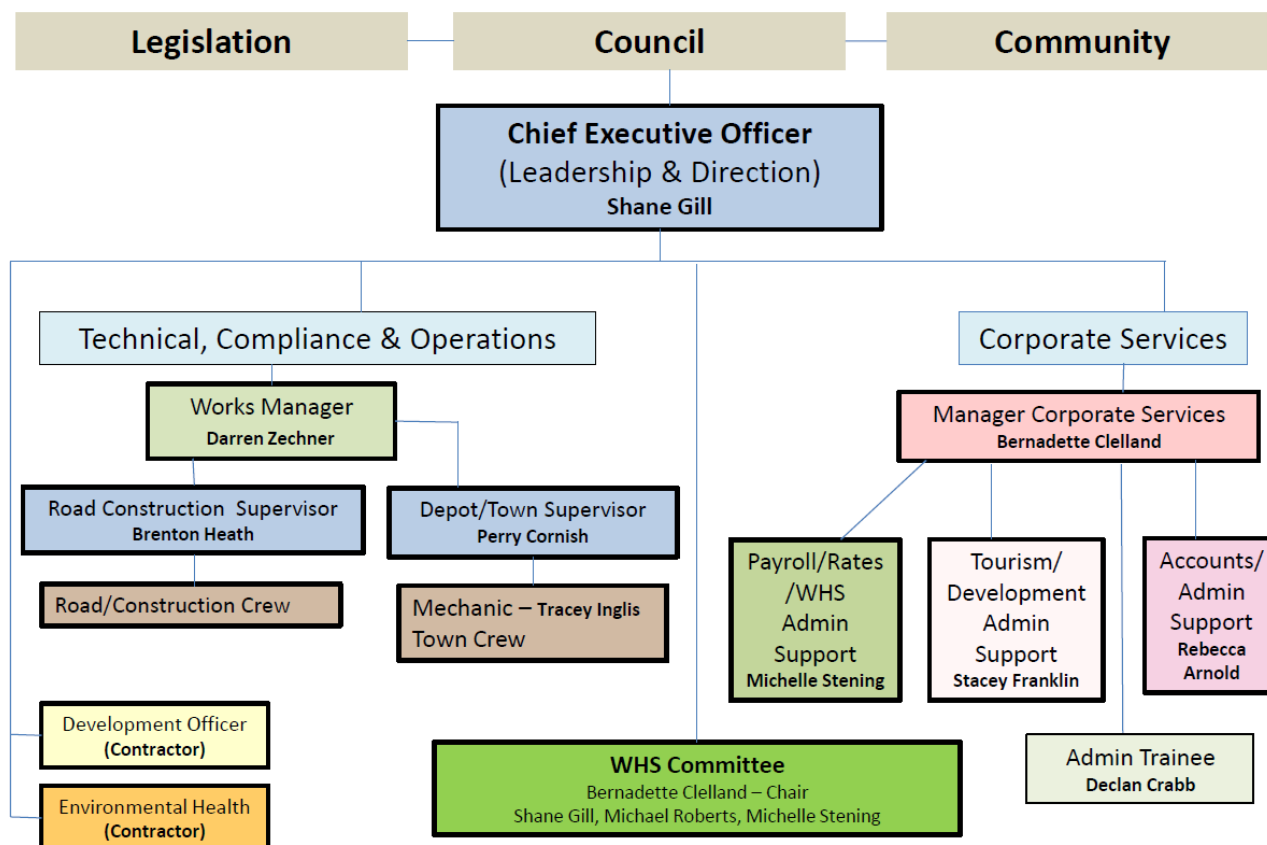
Freedom of Information enquiries or requests must be addressed to:

The Chief Executive Officer  
District Council of Franklin Harbour  
PO Box 71  
COWELL SA 5602



*Oyster lease at sunrise*

# ANNUAL INFORMATION STATEMENT



Council's overall structure is set out in the above chart and is based around two departments. The Senior Management Team comprises the Chief Executive Officer, the Manager Corporate Services, and the Works Manager.

The Administration and Services Department has a staff of four (4), including a school-based trainee (who is due to finish at the end of 2020), and is based in the Council Office, 6 Main Street, Cowell SA 5602. The Works Department has a staff of ten (10), and is based at the Council Depot, Schumann Road Cowell SA 5602.

Council's functions are governed by the provisions of the Local Government Act, 1999, and are grouped as follows:-

ADMINISTRATION PUBLIC ORDER AND SAFETY HEALTH SOCIAL SECURITY AND WELFARE HOUSING AND COMMUNITY AMENITIES PROTECTION OF THE ENVIRONMENT N.E.C. SPORT AND RECREATION	FUEL AND ENERGY AGRICULTURAL SERVICES MINING, MANUFACTURING AND CONSTRUCTION TRANSPORT AND COMMUNICATION ECONOMIC AFFAIRS OTHER PURPOSES
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Council is involved in these functions to varying degrees, determined by Community demand and legislative requirements.



## **The Effect of Council's Functions on the Public**

All of Council's functions have a direct impact on the residents of this district. Service provision functions such as road construction and maintenance, library services, and refuse collection have a direct effect on the users of those services. Legislative functions such as Building Control, Dog Control and Planning provisions also have an effect on all residents, but in a less obvious way.

The elected members of Council determine the policies and functions of Council within the provisions of the Local Government Act. The Senior Management team provides advice to the elected members, and oversee the implementation of the policies and functions determined by Council, within the overall Budget adopted by Council.

## **Public Participation in Council Policy Development**

Members of the public have access to the elected members of Council. There are six elected members who are elected for a four year term. Councillors represent the whole of the district (i.e. no wards), and following each election they elect a Mayor from within their number.

Council holds regular monthly meetings scheduled for the second Wednesday of each month. Agenda notices are prepared during the week prior to the Council meeting, and members of the public may submit correspondence to Council for inclusion on the agenda, provided such correspondence is received no later than the Thursday prior to the Council meeting.

Submissions can be made direct to elected members on any issue, or presented by correspondence. In addition, deputations can address Council meetings by prior arrangement with elected members or the Chief Executive Officer. Council meetings are open to the public; however, some confidential matters may be discussed in camera. Members in the Public Gallery may address Council meetings at the discretion of the Mayor.

Council's Standing Committees meet as required:-

### **COMMITTEE**

Audit Committee  
Franklin Harbour Boat Ramp Committee  
Cowell Cottages Committee

### **MEMBERSHIP**

Mayor Walsh, Cr Wagner and Mr Michael Pomeroy.  
Cr T Rehn, Mr M Brine, Mr M Jarvis, Mrs J Chopin, Mr G Lum & Mr K Martens  
Cr S Franklin, Cr G Giles, Mr R Udy, Mr R Wiseman & Mrs C Roberts

## **DESCRIPTION OF THE KIND OF DOCUMENTS HELD BY COUNCIL**

The District Council of Franklin Harbour holds the following kinds of documents:-

### **Hard Copy Files**

#### **A/ Policy and Administrative Documents**

1. Ordinary Council Meeting and Development Assessment Panel Meeting Agendas - these summarise the business to be dealt with at each ordinary Council meeting.
2. Ordinary Council Meeting and Development Assessment Panel Meeting Minutes - these record the business and resolutions of each ordinary Council Meeting.
3. The Policy Manual - this records the general policies and delegated authorities of Council.
4. Council's Strategic Plan – provides a focus for Council's operations and provides the Vision, Goals and Objectives of our community.
5. The Budget Statement - this is the annual Budget adopted for the current financial year as the basis for setting rates.
6. Annual Financial Statements - these record financial results and position of Council each financial year.

7. Council By-Laws - a record of By-Laws adopted by Council pursuant to the provisions of the Local Government Act.
8. The Annual Report - this is an annual report of Council's activities for the information of residents and other interested parties.
9. The Assessment Book - This details property ownership and valuation records.
10. The Development Plan - details Planning and Zoning policies which guide the Development Assessment Panel in development matters pursuant to the Development Act.

#### **B/ General Correspondence**

These are items of correspondence on a range of functional matters dealt with by Council.

Current documents are filed and stored in the Council Office or archive shed, earlier documents have been transferred to State Archives.

As General Correspondence items become out of date, they may be disposed of in accordance with procedures recommended by the Local Government Records Management Group.

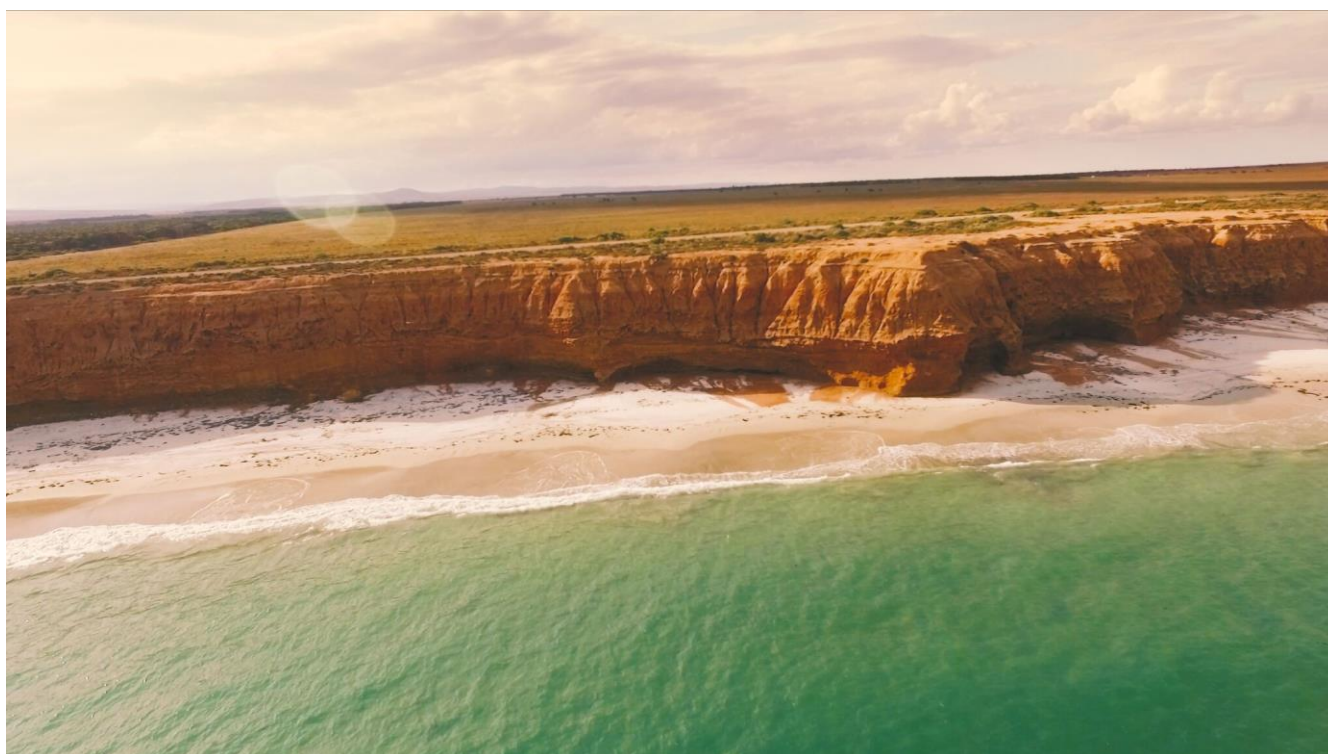
#### **C/ Computerised Information Files**

1. Property Information files are held on Council's computer system.
2. Financial and Accounting Information - is processed and stored on Council's computer system.

This information is backed up on the cloud. This information is also available on hard copy.

#### **Conclusion**

In closing I would like to thank the administration staff for their continued support and dedication to their work and to Council.



*Cliff face along Beach Road*

# 2019/2020 ANNUAL BUSINESS PLAN (Attachment 1)



## **District Council of Franklin Harbour 2019 – 2020 Annual Business Plan**



District Council of Franklin Harbour

PO Box 71

COWELL SA 5602

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

**Phone:** (08) 8629 2019

**Fax:** (08) 8629 2152

**Email:** [council@franklinharbour.sa.gov.au](mailto:council@franklinharbour.sa.gov.au)

**Adopted:** 26 June 2019

**Resolution:** 69/06/19

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## INTRODUCTION

The purpose of this Plan is to address the activities Council intends to undertake in the 2019/2020 financial year to achieve its objectives, and the measures both financial and non-financial it will use to assess this. The Council will measure performance against objectives by the successful completion of all projects on time and within Budget.

It has, and will continue to be a main goal of Council to expand the economic well being of the community and to provide quality services. At the same time this has to be done keeping in mind Council's limited human and financial resources. As such, Council needs to continue to provide value for money and effectiveness of service delivery.

## PROFILE

Located on the eastern side of the Eyre Peninsula and bordering the Spencer Gulf, the District Council of Franklin Harbour is home to an estimated population of 1,350 people and covers an area of 2,767 square kilometres with 749 kilometres of roads. Cowell is the major centre in the district, which also comprises the holiday areas of Lucky Bay and Port Gibbon and the localities of Elbow Hill and Mitchellville.

## STRATEGIC DIRECTIONS

The District Council of Franklin Harbour adopted its 2017-2021 Strategic Plan in January 2017. Amongst the obligations when adopting its Plan was the consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. The plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Franklin Harbour.

## VISION

**"A PROUD, GROWING AND UNIFIED COMMUNITY BENEFITING FROM A DIVERSE AND ENVIRONMENTALLY SUSTAINABLE ECONOMIC BASE."**

## CORE VALUES & PRINCIPLES

The values and principles which guide all of Council and which are reflected in the Strategic Plan are as follows:

- We will deliver a high standard of essential services in a sustainable manner
- We will represent the needs of our community to the wider population
- We will preserve and enhance our heritage and environment
- We will ensure the long term financial security of the Council through excellent forward planning and management

## STRATEGIC PLAN GOALS AND STRATEGIES

### GOAL 1 - COMMUNITY WELLBEING

**Maximise the benefit to the community from improved community services.**

- 1.01** Ensure the delivery of appropriate health services to the community
- 1.02** Maximise the provision of aged care facilities and services
- 1.03** Provide high quality sporting and recreational facilities
- 1.04** Support the development and retention of the areas youth
- 1.05** Improve the educational opportunities available to the community
- 1.06** Facilitate improvements or increases in community services

## **GOAL 2 - ECONOMIC WELLBEING**

**To foster a diverse and growing economic base that results in an increase in employment and population**

- 2.01 Maximise the potential of the tourism industry
- 2.02 Facilitate the further development of our mining sector
- 2.03 Support the growth of the aquaculture industry
- 2.04 Expand our aged care / retirement industry
- 2.05 Assist the expansion of the agricultural sector
- 2.06 Provide appropriate infrastructure for economic development
- 2.07 Development of seaside areas in a sustainable manner
- 2.08 Increase the size of our commercial and retail sector
- 2.09 Ensure the adequate provision of power and water supplies
- 2.10 Maximise the benefits to our community from relationships with appropriate organisations

## **GOAL 3 – NATURAL AND BUILT ENVIRONMENT**

**Maintain our high quality living environment**

- 3.01 Effectively manage the waste of the area
- 3.02 Protect and enhance our foreshore, coast and marine areas
- 3.03 Preservation of the built and natural heritage of the area
- 3.04 Recognise and value the Indigenous heritage and culture of the area
- 3.05 Enhance the aesthetics of our townships environment
- 3.06 Provide high quality footpaths and roads
- 3.07 Ensure public conveniences are located appropriately and are of a high standard
- 3.08 Increase the number and standard of parks and gardens in our area
- 3.09 Implement best practice stormwater management techniques

## **GOAL 4 – GOVERNANCE AND ORGANISATION**

**A professional, effective and customer oriented organisation playing the lead role in community development**

- 4.01 Maximisation of Council service delivery
- 4.02 Improve the image and profile of Council through effective communication
- 4.03 Effective utilisation of Council plant and equipment
- 4.04 Encourage staff development in a safe working environment
- 4.05 Provide strong leadership to our community
- 4.06 Support and recognise the efforts of local volunteers

Council have developed a range of long term management plans which supplement and run alongside Council's five year Strategic Plan. These other complimentary plans are called the ten year Long Term Financial Management Plan and the ten year Infrastructure and Asset Management Plan. Such plans will assist Council in renewing/replacing its major assets and infrastructure and help Council adequately fund assets now and into the future. This will ensure Council's financial sustainability.

## **COUNCIL SERVICES AND RESPONSIBILITIES**

Councils are required to provide certain services under various Acts of Parliament including the Local Government Act. The District Council of Franklin Harbour also provides a number of other services.

### **Required Services:**

These are some of the services that Councils must provide for:

- Planning
- Building and Development
- Environmental Health Services

- Fire Prevention
- Dog and Cat Management

**Other Services:**

In addition to the above the District Council of Franklin Harbour provides the following types of services for the benefit of the ratepayers and the community:

- Street Lighting;
- Roads Construction and Maintenance;
- Waste Management Facilities;
- Health Services;
- School/Communities Libraries Support;
- Recreation Facilities;
- Reserves and Picnic Areas;
- Playgrounds;
- Accommodation;
- Town Rubbish Collection and Town Recycling;
- Tourism;
- Economic Development; and
- Cemeteries.

**HOW DOES COUNCIL DETERMINE WHAT SERVICES IT WILL PROVIDE?**

Council's Strategic and other Long Term Plans outline the longer-term objectives and priorities for the community. These Plans plus the Council Budget determine the infrastructure needs and services Council will provide, including the costs required to deliver these services.

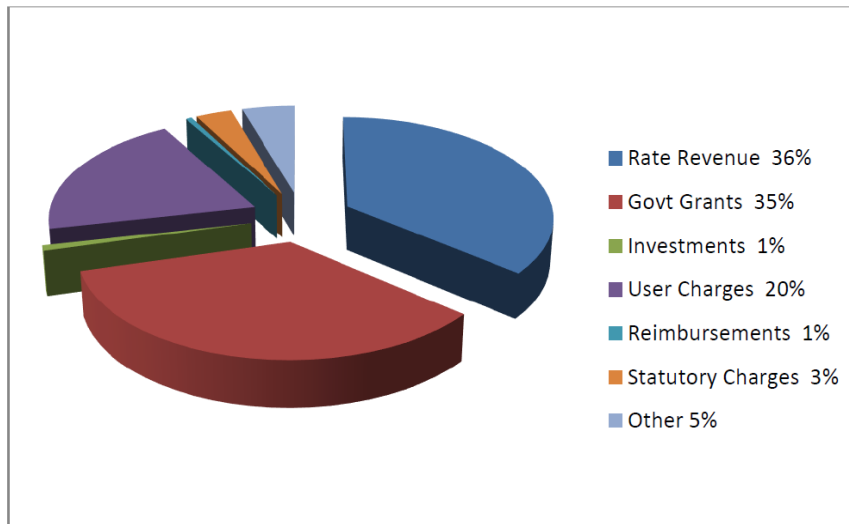
Council adopted the initial Strategic Plan in May 2002 following extensive Community consultation. Further comprehensive reviews of the plan were completed in May 2009, December 2011 and again in January 2017. The full list of the achievements from the previous year is available in Council's Annual Report available from the office or at [www.franklinharbour.sa.gov.au](http://www.franklinharbour.sa.gov.au).

**HOW DOES COUNCIL PAY FOR THESE SERVICES**

Council has limited options to pay for these services. It receives substantial State and Federal grants and subsidies. Council can raise income by some fee paying activities (eg hire of community facilities, maintenance fees, private works and rentals). However, Council's primary source of raising income is a property-based tax – Council Rates.

**COUNCIL'S OPERATING REVENUE**

Council rate revenue makes up approximately 36% of annual operating revenue. Other sources of income include government grants 35%, investments 1%, user charges 20%, reimbursements 1%, statutory charges 3% and Other 5%.



### GRANT FUNDING

Local Government receives three (3) types of grant funding:

- GENERAL PURPOSE FINANCIAL ASSISTANCE (Federal)
  - Council has complete discretion as to expenditure of funds received
- SPECIFIC PURPOSE GRANTS (State and Federal)
  - Which are to be spent on specific projects or programs
- 'CORE' ROADS TO RECOVERY GRANTS (Federal)
  - While funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing or upgrading roads.

### HOW DOES COUNCIL DETERMINE WHAT RATES IT WILL SET?

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden amongst ratepayers, covering general cost movements, including labour and non-labour costs and being sufficient to cover new initiatives.

Following a comprehensive, independent review in early 2011, Council adopted Capital Values as provided by the State Government Valuer Generals Department on all properties in the Council District. Council determines what revenue is required for Council operations in the District for each financial year in the form of a Council Budget. Differential rates in the dollar are then declared by Council for all properties in the area. Differential rates will be based on land use and zoning of the property.

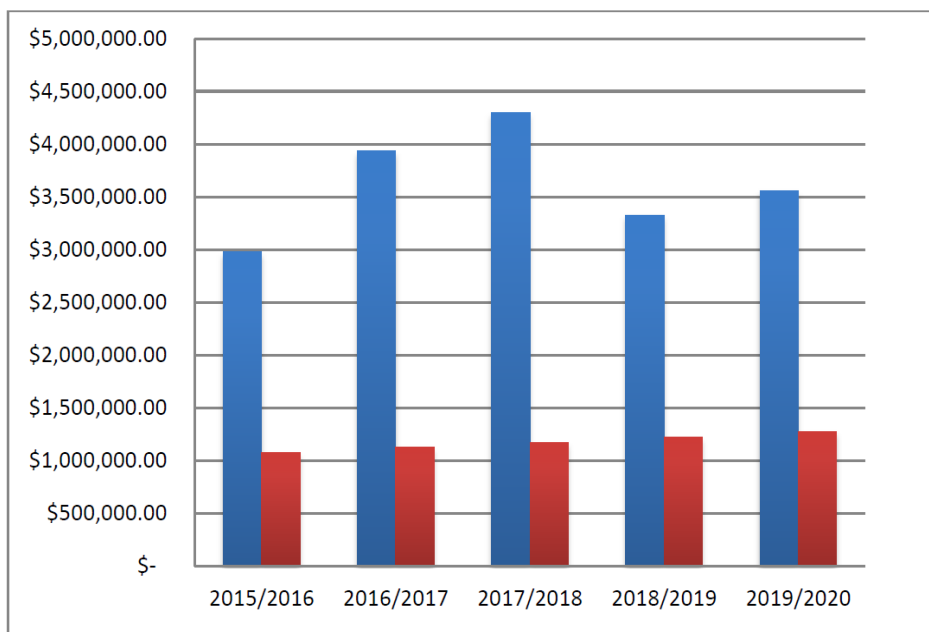
For example – a property has a capital value of \$100,000 and Council declares a rate in the dollar of 0.7800 cents, that property will pay  $\$100,000 \times 0.0078\text{cents} = \$780.00$ .

Council reduces or increases the rate in the dollar to meet revenue requirements.

In 2018/2019 Council's rate revenue was \$1,257,088 and Council has resolved that in the 2019/2020 financial year an approximate 1.3% increase will apply to raise rate revenue of approximately \$1,273,431.



## Operating Revenue and Rates Revenue for financial years 2015/16, 2016/17, 2017/18, 2018/19 & 2019/20



### METHOD USED TO VALUE LAND

The Council may adopt one of three (3) valuation methodologies to value the properties in its area. They are:

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

The District Council of Franklin Harbour uses capital value as the basis for valuing land within its Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value provides a fair indicator of overall property value.
- The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value.

### RATING INFORMATION FOR 2019/2020

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

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, which are the effects of seasonal variations for the farming community.
- The need to continue to replace and upgrade infrastructure assets that include both plant and machinery and our road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council's strategic plan and the meeting of those objectives.
- The budget for the 2019/2020 financial year and the long-term financial plans.
- Householders, businesses and primary producers.
- The broad principal of achieving equity in the distribution of rates.

- Minimising the level of general rates required by levying fees and charges for goods and services where that is possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost.
- Taking into account changes to Council valuations by the Valuer-General.
- Submissions made during the Public Consultation process.

### **ADOPTION OF VALUATIONS**

The Council has considered the valuations made by the Valuer-General effective as at 1<sup>st</sup> July 2019. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving notification of the valuation, explaining the basis for the objection to **State Valuation Office, GPO Box 1354, ADELAIDE SA 5001** or email [lsgobjections@sa.gov.au](mailto:lsgobjections@sa.gov.au).

### **BUSINESS IMPACT STATEMENT**

The Council has considered the impact of rates on all businesses in the Council area, and in particular primary production. Council has also considered the equity of the distribution of the rate burden between ratepayers; Council's policy on facilitating local economic development; current local, state and national economic conditions; changes in the valuation of business and primary production properties; and specific Council projects for the coming year and specific infrastructure maintenance issues.

### **COUNCIL'S REVENUE RAISING POWERS**

All land within a Council area, except for land specifically exempt (eg Crown Land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or services rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Council Office, 6 Main Street Cowell.

### **DIFFERENTIAL RATES**

In accordance with the provisions of Section 153 of the Local Government Act 1999 Council has decided to impose differential general rates on the following properties, based on land use and zoning.

<b>Land Use / Zone</b>	<b>Approximate Number of Properties</b>
Residential	636
Commercial – Shop	14
Commercial – Other	33
Industry – Light	13
Industry – Other	6
Commercial (Bulk Handling) Zone	3
Primary Production	264
Vacant Land	167
Other	10

The use or zoning of the land is used as the factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly identified by the Council as to its use or zoning then they may object to the Council within 21 days of being notified. A ratepayer may discuss the matter with the Chief Executive Officer on 8629 2019 in the first instance.

**It is important to note that the lodgement of an objection does not change the due date for payment of rates.**

## **FIXED CHARGE**

Council over the past few years have adopted a fixed charge as a part of its rating policy. This is calculated using an average of the previous two year's Administration costs. It is believed this is a fair way to recoup the basic costs of servicing everyone.

## **SERVICE CHARGE**

In 2017/2018 council increased the standard waste service charge for occupied properties in Cowell, Port Gibbon and Lucky bay to \$250 for a 140L bin and \$300 for a 240L bin for the first service and \$200 for each additional service. Due to the increase in the Solid Waste Levy these fees have increased to \$260 for a 140L bin and \$310 for a 240L bin for the first service and \$200 for each additional service.

In 2014/2015 Council introduced three new service charges. These are:

- Port Gibbon – Water
- Port Gibbon – Effluent
- Lucky Bay – Water

Council also introduced a separate charge for the Lucky Bay ratepayers to pay for the Erosion Projection Investigation and Design Project. On request by the Lucky Bay ratepayers this was increased in 2017/2018 from \$59.93 to \$100 to help clear the debt.

In 2016/2017 Council introduced 2 new charges for ratepayers affected by the Community Wastewater Management Scheme. These are a fixed charge and a service charge.

In 2016/2017 ratepayers were only charged for 9 months of the year with the scheme becoming operational on the 1<sup>st</sup> October 2016.

In 2017/2018 Council began paying back the \$4,200,000 borrowed to complete this project. \$400,000 was paid as a lump sum, \$1,000,000 is in a principal and interest loan, and the remaining \$2,800,000 is set up as an interest only loan.

The charges to ratepayers for the CWMS for 2019/2020 are:

- \$367.00 - Fixed Charge – principal and interest component
- \$150.00 - Service Charge - labour, overheads, materials, electricity and depreciation.

## **REBATES (CAPPING)**

Section 159 to 166 of the Local Government Act, 1999 pertain to the Rebate of Rates.

Council is required to provide statutory rebates to schools, churches, hospitals, and Commonwealth / State Government land under Section 159 to 165 of the Local Government Act, 1999.

## **LATE PAYMENT OF RATES**

The Local Government Act provides that Councils impose a fine of 2% on any instalment unpaid after the due date. At the expiration of each full month from the due date, interest is charged at the prescribed percentage of the total in arrears and unpaid rates. This does not include interest from previous months.

Council issues a final notice for payment of rates when rates are overdue, ie unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council may refer the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates Council applies the money received as follows:

- First - to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs;
- Third – in payment of any fines imposed;

Fourth – in payment of rates, in chronological order (starting with the oldest account first).

In order to raise the funds required for this year's Budget, Council will increase rate revenue by approximately 1.3%.

Council collects and pays on behalf of the State Government a Natural Resources Management Levy that replaces the previous Eyre Peninsula Catchment Water Management Levy and the levy Council used to pay to the Animal and Plant Control Board. This levy is shown on the Council rate notice. The rates set by the Eyre Peninsula Natural Resource Management Board for 2019/2020 are as follows:

Residential - \$77.97  
Commercial - \$116.96  
Industrial - \$116.96  
Primary Producers - \$155.95  
Other & Vacant Land - \$77.97

#### **POSTPONEMENT OF RATES FOR SENIORS**

Section 182A of the Local Government Act 1999, that allows eligible Senior Ratepayers to postpone a proportion of their council rates each financial year commencing 2007/2008, provides for a threshold amount of rates that cannot be postponed. The threshold is set at \$500.00 annually. The outstanding rates will attract interest (ie the scheme is non-concessional) and will remain a charge on the property until the property is sold or that person no longer lives on the property or becomes ineligible to continue the postponement. For further information and details please contact the Chief Executive Officer, District Council of Franklin Harbour PO Box 71, Cowell SA 5602 or on 8629 2019.

#### **PAYMENT OF RATES**

Payment of rates will be by four instalments due on 1 September 2019, 1 December 2019, 1 March 2020, and 1 June 2020.

Payment can be made at the Council Office, 6 Main Street, Cowell during normal office hours 9.00 am to 5.00 pm Monday to Friday, by cash, cheque or most credit cards, or can be made by post to PO Box 71, Cowell SA 5602 by cheque or money order payable to the District Council of Franklin Harbour. Payments may also be made by direct Bank Transfer.

#### **SALE OF LAND FOR NON-PAYMENT OF RATES**

The Local Government Act 1999 provides that Council may sell any property where the Rates have been in arrears for three years or more.

The council is required to notify the owner of the land of its intention to sell the land. Provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment is not received within one month.

Except in extraordinary circumstances or approval has been granted for postponement of Rates, the Council enforces the sale of land for non-payment of Rates.

#### **DIFFICULTY IN PAYING RATES**

Rates are payable in full or by four separate quarterly instalments. However, Section 182 of the Local Government Act 1999 permits the Council on the application of a Ratepayer to partially or wholly remit Rates or to postpone Rates on the basis of hardship.

If any ratepayer is experiencing financial difficulties and would like to discuss an alternative agreeable payment plan this flexibility is also available.

Contact the District Council of Franklin Harbour on 8629 2019 for a confidential discussion.

## COUNCIL'S MAIN OBJECTIVES FOR THE 2019/2020 FINANCIAL YEAR

Council has budgeted an amount of \$4,000,000 in its capital budget for the Foreshore Redevelopment. In 2018/2019 Council was successful in gaining a grant in the amount of \$3,000,000 through the Building Better Regions funding for the foreshore. Council also received confirmation that we have been successful in obtaining a grant of \$1,500,000 from SABFAC.

In accordance with objective 2.06 – Provide appropriate infrastructure for economic development, the following major activities and works are planned – re-sheeting of various sections of the local road network identified in Council's ten (10) year Works Plan, including Beach Road. Sealing works will also be carried out on parts of Cowell-Kimba Road and various town roads including HarbourView Drive.

## SUMMARY OF PLANNED INCOME, EXPENSES & CAPITAL EXPENDITURE

### *Major income expected in 2019 – 2020 is as follows:*

SABFAC GRANT	\$1,500,000
Financial Assistance Grants	\$1,005,000
SLRP Grant Funding	\$750,000
Rates Income	\$1,273,431
Waste Management Charges	\$213,000
Local Road Grants	\$226,793

### *Council's planned capital expenditure for 2019 – 2020 is set out as follows:*

FORESHORE REDEVELOPMENT	\$4,000,000
Road Construction – Unsealed	\$1,215,000
Road Construction – Sealed	\$235,500
Footpaths & Kerbing	\$20,000
Vehicles (Excavator)	\$180,000
Workshop Pit	\$35,000

**DISTRICT COUNCIL**

**OF**

**FRANKLIN HARBOUR**

**FINANCIAL STATEMENTS**

**For The Year Ending**  
**30 JUNE 2020**

**District Council of Franklin Harbour**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2020**

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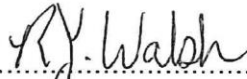
**District Council of Franklin Harbour  
Annual Financial Statements  
for the year ended 30 June 2020**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

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

  
.....  
Shane Gill  
**CHIEF EXECUTIVE OFFICER**

  
.....  
Robert Walsh  
**MAYOR/COUNCILLOR**

Date: 20/10/2020



**District Council of Franklin Harbour**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>INCOME</b>			
Rates	2	1,684,461	1,645,562
Statutory charges	2	22,441	24,872
User charges	2	683,659	562,734
Grants, subsidies and contributions	2	1,791,115	2,141,162
Investment income	2	24,676	33,259
Reimbursements	2	5,501	92,546
Other income	2	164,671	94,733
<b>Total Income</b>		<b>4,376,523</b>	<b>4,594,868</b>
<b>EXPENSES</b>			
Employee costs	3	1,029,759	1,132,980
Materials, contracts & other expenses	3	1,538,262	1,349,494
Depreciation, amortisation & impairment	3	988,503	964,037
Finance costs	3	203,294	212,955
<b>Total Expenses</b>		<b>3,759,818</b>	<b>3,659,466</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>616,705</b>	<b>935,402</b>
Asset disposal & fair value adjustments	4	(94,543)	25,142
Amounts received specifically for new or upgraded assets	2	2,214,617	260,252
<b>NET SURPLUS / (DEFICIT)</b> (transferred to Equity Statement)		<b>2,736,779</b>	<b>1,220,796</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	(33,313)
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(33,313)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,736,779</b>	<b>1,187,483</b>

**District Council of Franklin Harbour**  
**Statement of Financial Position**  
**as at 30 June 2020**

<b>ASSETS</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>3,083,706</b>	3,136,839
Trade & other receivables	5	<b>376,171</b>	368,471
Inventories	5	<b>161,682</b>	450,727
<b>Total Current Assets</b>		<b><u>3,621,559</u></b>	<u>3,956,037</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	6	<b>40,100,492</b>	36,333,099
<b>Total Non-current Assets</b>		<b><u>40,100,492</u></b>	<u>36,333,099</u>
<b>Total Assets</b>		<b><u>43,722,051</u></b>	<u>40,289,136</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	<b>1,108,005</b>	142,181
Borrowings	7	<b>313,629</b>	344,772
Provisions	7	<b>603,722</b>	532,833
<b>Total Current Liabilities</b>		<b><u>2,025,356</u></b>	<u>1,019,786</u>
<b>Non-current Liabilities</b>			
Borrowings	7	<b>5,501,070</b>	5,814,699
Provisions	7	<b>2,236,932</b>	2,232,737
<b>Total Non-current Liabilities</b>		<b><u>7,738,002</u></b>	<u>8,047,436</u>
<b>Total Liabilities</b>		<b><u>9,763,358</u></b>	<u>9,067,222</u>
<b>NET ASSETS</b>		<b><u>33,958,693</u></b>	<u>31,221,914</u>
<b>EQUITY</b>			
Accumulated Surplus		<b>23,028,805</b>	20,327,161
Asset Revaluation Reserves	8	<b>10,894,753</b>	10,894,753
Other Reserves	8	<b>35,135</b>	-
<b>TOTAL EQUITY</b>		<b><u>33,958,693</u></b>	<u>31,221,914</u>

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

**District Council of Franklin Harbour**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2020**

2020	Notes	Acc'd Surplus \$	Asset Rev'n Reserve \$	Other Reserves \$	Total Council Equity \$	TOTAL EQUITY \$
Balance at end of previous reporting period		20,327,161	10,894,753	-	31,221,914	31,221,914
Adjustment due to compliance with revised Accounting Standards					-	-
Adjustment to give effect to changed accounting policies		(35,135)		35,135	-	-
<b>Net Surplus / (Deficit) for Year</b>		<b>2,736,779</b>			<b>2,736,779</b>	<b>2,736,779</b>
<b>Balance at end of period</b>	8	<b>23,028,805</b>	<b>10,894,753</b>	<b>35,135</b>	<b>33,958,693</b>	<b>33,958,693</b>

**District Council of Franklin Harbour**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2020**

2019	Notes	Acc'd Surplus \$	Asset Rev'n Reserve \$	Other Reserves \$	Total Council Equity \$	TOTAL EQUITY \$
Balance at end of previous reporting period		19,106,365	10,928,066	-	30,034,431	30,034,431
Restated opening balance		19,106,365	10,928,066	-	30,034,431	30,034,431
<b>Net Surplus / (Deficit) for Year</b>		<b>1,220,796</b>			<b>1,220,796</b>	<b>1,220,796</b>
<b>Other Comprehensive Income</b>						
Changes in revaluation surplus - infrastructure, property, plant & equipment			(33,313)		(33,313)	(33,313)
Transfers between reserves		-		-	-	-
<b>Balance at end of period</b>	8	<b>20,327,161</b>	<b>10,894,753</b>	<b>-</b>	<b>31,221,914</b>	<b>31,221,914</b>

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

**District Council of Franklin Harbour**  
**Statement of Cash Flows**  
**for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts:</i>			
Rates - general & other		1,751,079	1,606,397
Fees & other charges		22,441	24,872
User charges		1,154,907	597,409
Investment receipts		26,858	31,524
Grants utilised for operating purposes		1,791,115	2,141,162
Reimbursements		5,501	92,546
Other revenues		123,563	94,733
<i>Payments:</i>			
Employee costs		(945,212)	(1,177,300)
Materials, contracts & other expenses		(931,371)	(1,883,123)
Finance payments		(212,419)	(166,334)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>2,786,461</b>	<b>1,361,886</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		2,214,617	260,252
Sale of replaced assets		57,500	74,536
Sale of surplus assets		166,629	-
Sale of real estate developments		103,040	88,000
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(2,118,715)	(1,012,974)
Expenditure on new/upgraded assets		(2,917,893)	(1,123,387)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,494,822)</b>	<b>(1,713,573)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Receipts:</i>			
Proceeds from borrowings		-	2,120,000
<i>Payments:</i>			
Repayments of borrowings		(344,772)	(274,126)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(344,772)</b>	<b>1,845,874</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(53,133)</b>	<b>1,494,187</b>
Cash & cash equivalents at beginning of period	9	3,136,839	1,642,652
<b>Cash &amp; cash equivalents at end of period</b>	<b>9</b>	<b>3,083,706</b>	<b>3,136,839</b>

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

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**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 dollar (\$).

**2 The Local Government Reporting Entity**

The District Council of Franklin Harbour is incorporated under the SA Local Government Act 1999 and has its principal place of business at 6 Main Street, COWELL SA 5602. 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**

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

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

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

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

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

	Cash Payment Received	Annual Allocation	Difference	
2017-18	\$1,352,830	\$1,232,838	+ / -	\$119,992
2018-19	\$1,321,832	\$1,231,049	+ / -	\$90,783
2019-20	\$1,271,455	\$1,233,364	+ / -	\$38,091

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

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

**3.1 Construction Contracts**

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

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

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

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

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

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

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

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.

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

**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.

**6 Infrastructure, Property, Plant & Equipment**

**6.1 Land under roads**

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

**6.2 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.

**6.3 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.

**6.4 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

**6.5 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.

**6.6 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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 assessed for impairment.

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 outflows or value in use).

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

**6.7 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 Employee Benefits**

**9.1 Salaries, Wages & Compensated Absences**

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



**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

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.

Weighted average discount rate 0.92% (2019, 1.28)

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

**10 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.

**11 New and amended standards and interpretations**

*Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities:*

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in section 10 of this note. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed.

*Adoption of AASB 16 Leases (AASB 16)*

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

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 2 - INCOME**

	2020	2019
	\$	\$
<b>RATES REVENUES</b>		
<u>General Rates</u>	<b>1,294,309</b>	1,257,089
Less: Discretionary rebates, remissions & write offs	<b>(16,019)</b>	(16,227)
	<b>1,278,290</b>	1,240,862
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	<b>84,521</b>	82,335
Community wastewater management systems	<b>314,617</b>	314,288
	<b>399,138</b>	396,623
<u>Other Charges</u>		
Penalties for late payment	<b>7,033</b>	8,077
	<b>7,033</b>	8,077
Less: Discretionary rebates, remissions & write offs		
	<b>1,684,461</b>	1,645,562
<b>STATUTORY CHARGES</b>		
Development Act fees	<b>5,418</b>	5,249
Town planning fees	<b>9,028</b>	7,990
Health & Septic Tank Inspection fees	<b>1,390</b>	4,608
Animal registration fees & fines	<b>6,395</b>	6,485
Parking fines / expiation fees	<b>210</b>	540
	<b>22,441</b>	24,872
<b>USER CHARGES</b>		
Cemetery/crematoria fees	<b>3,991</b>	9,883
Complex Water Usage	<b>50,243</b>	52,671
Hall & equipment hire	<b>7,124</b>	7,551
Camping fees	<b>23,312</b>	20,666
Shack Area Fees	<b>105,022</b>	110,406
Rubbish Disposal Fees	<b>212,471</b>	229,508
Boat Ramp Fees	<b>14,751</b>	15,975
Cowell Cottages	<b>266,745</b>	116,074
	<b>683,659</b>	562,734
<b>INVESTMENT INCOME</b>		
Interest on investments:		
Local Government Finance Authority	<b>17,759</b>	32,905
Banks & other	<b>6,917</b>	354
	<b>24,676</b>	33,259

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

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

**REIMBURSEMENTS**

- for roadworks	-	48,000
- for private works	5,501	21,604
- other	-	22,942
	<u>5,501</u>	<u>92,546</u>

**OTHER INCOME**

Rebates received	22,767	18,123
Sundry	141,904	76,610
	<u>164,671</u>	<u>94,733</u>

**GRANTS, SUBSIDIES, CONTRIBUTIONS**

Amounts received specifically for new or upgraded assets	2,214,617	260,252
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	1,788,238	2,141,162
Library & Communications	2,877	
	<u>1,791,115</u>	<u>2,141,162</u>
	<u>4,005,732</u>	<u>2,401,414</u>

*The functions to which these grants relate are shown in Note 12.*

**Sources of grants**

Commonwealth government	684,591	815,412
State government	3,321,141	1,586,002
	<u>4,005,732</u>	<u>2,401,414</u>
	<b>2020</b>	<b>2019</b>

**Individually Significant Item**

Coolanie Waterline	1,214,617	-
SLRP - Beach Road	1,000,000	

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

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

**Conditions over grants & contributions**

*Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:*

<i>Unexpended at the close of the previous reporting period</i>	<b>237,645</b>	543,000
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>		
<i>SLGIP</i>	<u><b>(237,645)</b></u>	<u>(305,355)</u>
<i>Subtotal</i>	<u><b>(237,645)</b></u>	<u>(305,355)</u>
 <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Subtotal</i>	<u>-</u>	<u>-</u>
<i>Unexpended at the close of this reporting period</i>	<u>-</u>	<u>237,645</u>
 <i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>	<u><b>(237,645)</b></u>	<u>(305,355)</u>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 3 - EXPENSE**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		\$	\$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,392,225	1,189,666
Employee leave expense		113,526	129,182
Superannuation - defined contribution plan contributions	18	130,288	127,929
Superannuation - defined benefit plan contributions	18	28,776	60,695
Workers' Compensation Insurance		54,867	50,169
Less: Capitalised and distributed costs		<b>(689,923)</b>	<b>(424,661)</b>
<b>Total Operating Employee Costs</b>		<b><u>1,029,759</u></b>	<b><u>1,132,980</u></b>
<b>Total Number of Employees</b>		<b>17</b>	<b>19</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		17,730	18,690
Elected members' expenses		65,574	65,128
Election expenses		9,788	4,346
Subtotal - Prescribed Expenses		<b><u>93,092</u></b>	<b><u>88,164</u></b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		452,138	684,238
Energy		138,812	183,081
Patrol Grading		217,625	-
Plant Maintenance		243,414	-
Rubbish Disposal		116,934	-
Legal Expenses		24,996	9,535
Levies paid to government - NRM levy		84,483	82,411
Parts, accessories & consumables		108,650	94,529
Professional services		58,118	73,929
Sundry		-	133,607
Subtotal - Other Materials, Contracts & Expenses		<b><u>1,445,170</u></b>	<b><u>1,261,330</u></b>
		<b><u>1,538,262</u></b>	<b><u>1,349,494</u></b>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 3 - EXPENSE con't**

		2020	2019
	Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		<b>218,535</b>	220,147
Other Community Assets		<b>29,702</b>	23,897
Infrastructure		<b>418,259</b>	380,717
CWMS		<b>114,647</b>	115,209
Plant, Machinery, Equipment		<b>200,510</b>	215,911
Office Equipment, Furniture etc		<b>6,850</b>	8,156
		<b>988,503</b>	964,037
<b>FINANCE COSTS</b>			
Interest on Loans		<b>203,294</b>	212,955
		<b>203,294</b>	212,955

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

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

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		57,500	74,536
Less: Carrying amount of assets sold		53,270	47,394
<b>Gain (Loss) on disposal</b>		<b>4,230</b>	<b>27,142</b>
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		166,629	-
Less: Carrying amount of assets sold		227,442	-
<b>Gain (Loss) on disposal</b>		<b>(60,813)</b>	<b>-</b>
 <b>REAL ESTATE DEVELOPMENT ASSETS</b>			
Proceeds from disposal		103,040	88,000
Less: Carrying amount of assets sold		141,000	90,000
<b>Gain (Loss) on disposal</b>		<b>(37,960)</b>	<b>(2,000)</b>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		 <b>(94,543)</b>	 <b>25,142</b>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 5 - CURRENT ASSETS**

	Notes	2020 \$	2019 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		225,919	99,723
Deposits at Call		2,855,481	3,014,400
Short Term Deposits & Bills, etc		2,306	22,716
		<u>3,083,706</u>	<u>3,136,839</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		218,092	284,710
Accrued Revenues		48,993	10,067
Debtors - general		59,093	14,915
Prepayments		49,993	58,779
		<u>376,171</u>	<u>368,471</u>
<b>INVENTORIES</b>			
Stores & Materials		17,682	165,727
Real Estate Developments		144,000	285,000
		<u>161,682</u>	<u>450,727</u>



**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)**

	2019				2020			
	\$'000				\$'000			
Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	4,626,136	-	-	4,626,136	<b>4,575,136</b>	-	-	<b>4,575,136</b>
Land	-	-	-	-	-	-	-	-
Buildings & Other Structures	17,954,522	235,267	(12,096,634)	6,093,155	<b>17,746,789</b>	-	<b>(11,997,840)</b>	<b>5,748,949</b>
Other Community Assets	1,817,224	216,765	(1,037,888)	996,101	<b>2,033,989</b>	<b>2,869,893</b>	<b>(1,067,590)</b>	<b>3,836,292</b>
Infrastructure	22,672,261	1,027,300	(11,769,706)	11,929,855	<b>24,035,608</b>	<b>1,841,588</b>	<b>(12,524,012)</b>	<b>13,353,184</b>
CWMS	10,933,766	26,293	(442,230)	10,517,829	<b>10,960,059</b>	-	<b>(556,877)</b>	<b>10,403,182</b>
Plant, Machinery, Equipment	-	3,927,843	(2,053,691)	1,874,152	-	<b>3,903,702</b>	<b>(2,014,223)</b>	<b>1,889,479</b>
Office Equipment, Furniture etc	-	401,702	(352,817)	48,885	-	<b>399,372</b>	<b>(352,088)</b>	<b>47,284</b>
Right of Use Assets	-	-	-	-	-	-	-	-
Reinstatement costs	-	246,986	-	246,986	-	<b>246,986</b>	-	<b>246,986</b>
<b>Total IPP&amp;E</b>	<b>58,003,909</b>	<b>6,082,156</b>	<b>(27,752,966)</b>	<b>36,333,099</b>	<b>59,351,581</b>	<b>9,261,541</b>	<b>(28,512,630)</b>	<b>40,100,492</b>
<b>Comparatives</b>	<b>54,841,849</b>	<b>7,225,037</b>	<b>(26,825,404)</b>	<b>35,241,482</b>	<b>58,003,909</b>	<b>6,082,156</b>	<b>(27,752,966)</b>	<b>36,333,099</b>

*This Note continues on the following pages.*

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR								2020	
	\$	\$								\$	
	Carrying Amount	Net Adjust AASB 16	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals				In	Out			
Land	4,626,136		48,000	-	(99,000)	-	-	-	-	-	4,575,136
Buildings & Other Structures	6,093,155		-	-	(125,671)	(218,535)	-	-	-	-	5,748,949
Other Community Assets	996,101		2,869,893	-	-	(29,702)	-	-	-	-	3,836,292
Infrastructure	11,929,855		-	1,841,588	-	(418,259)	-	-	-	-	13,353,184
CWMS	10,517,829		-	-	-	(114,647)	-	-	-	-	10,403,182
Plant, Machinery, Equipment	1,874,152		-	269,107	(53,270)	(200,510)	-	-	-	-	1,889,479
Office Equipment, Furniture etc	48,885		-	8,020	(2,771)	(6,850)	-	-	-	-	47,284
Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-
Reinstatement costs	246,986		-	-	-	-	-	-	-	-	246,986
<b>Total IPP&amp;E</b>	<b>36,333,099</b>	<b>-</b>	<b>2,917,893</b>	<b>2,118,715</b>	<b>(280,712)</b>	<b>(988,503)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,100,492</b>
<b>Comparatives</b>	<b>35,241,482</b>		<b>1,123,387</b>	<b>1,012,974</b>	<b>(47,394)</b>	<b>(964,037)</b>				<b>(33,313)</b>	<b>36,333,099</b>

*This note continues on the following pages.*

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 6 (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.

## District Council of Franklin Harbour

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

#### Note 6 (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	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

**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

## District Council of Franklin Harbour

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

#### Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

##### Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 1<sup>st</sup> July 2014 at current replacement cost. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

##### Buildings & Other Structures

Buildings and other structures were revalued as at 1<sup>st</sup> July 2014 by Liquid Pacific. These Assets were due to be revalued this financial year, however due to COVID-19 this project was not finalised.

##### Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2014, based on actual costs incurred during the reporting periods ended 30 June 2013 and 2014. All acquisitions made after the respective dates of valuation are recorded at cost. These Assets were due to be revalued this financial year, however due to COVID-19 this project was not finalised.

Stormwater drainage infrastructure was valued by AssetVal Pty Ltd as at 30 June 2019 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2019. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2014 by Liquid Pacific. All acquisitions made after the respective dates of valuation are recorded at cost.

##### Plant, Furniture & Equipment

These assets are recognised on the cost basis.

##### All other assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 7 - LIABILITIES**

	Notes	2020		2019	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		178,866		44,957	
Payments received in advance		523,253	-	7,827	-
Accrued expenses - employee entitlements		18,627	-	9,164	-
Accrued expenses - other		387,259	-	80,233	-
		<b>1,108,005</b>	<b>-</b>	<b>142,181</b>	<b>-</b>
<b>BORROWINGS</b>					
Loans		313,629	5,501,070	344,772	5,814,699
		<b>313,629</b>	<b>5,501,070</b>	<b>344,772</b>	<b>5,814,699</b>

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

**PROVISIONS**

Employee entitlements (including oncosts)	295,722	35,196	224,833	31,001
Future reinstatement / restoration, etc	-	246,986	-	246,986
Other Provisions	308,000	1,954,750	308,000	1,954,750
	<b>603,722</b>	<b>2,236,932</b>	<b>532,833</b>	<b>2,232,737</b>

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

**Movements in Provisions - 2020 year only**

(current & non-current)	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance	-	246,986	2,518,584
Add Unwinding of present value discounts			
Additional amounts recognised			75,084
(Less) Payments			
Unused amounts reversed			
Add (Less) Remeasurement Adjustments			
Closing Balance	<b>-</b>	<b>246,986</b>	<b>2,593,668</b>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 8 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1/7/2019	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2020
<b>Notes</b>	\$	\$	\$	\$
Land	4,686,797	-	-	4,686,797
Buildings & Other Structures	3,039,424	-	-	3,039,424
Infrastructure	3,168,532	-	-	3,168,532
<b>TOTAL</b>	<b>10,894,753</b>	<b>-</b>	<b>-</b>	<b>10,894,753</b>
<b>Comparatives</b>	<b>10,894,753</b>	<b>-</b>	<b>-</b>	<b>10,894,753</b>

<b>OTHER RESERVES</b>	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
Lucky Bay LGFA Reserve	-	35,135	-	35,135
<b>TOTAL OTHER RESERVES</b>	<b>-</b>	<b>35,135</b>	<b>-</b>	<b>35,135</b>
<b>Comparatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 9 - 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	2020 \$	2019 \$
Total cash & equivalent assets	5	<b>3,083,706</b>	3,136,839
Balances per Cash Flow Statement		<b><u>3,083,706</u></b>	<b><u>3,136,839</u></b>

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

Net Surplus (Deficit)		<b>2,736,779</b>	1,220,796
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<b>988,503</b>	964,037
Net increase (decrease) in unpaid employee benefits		<b>84,547</b>	(44,320)
Change in allowances for under-recovery		-	(40,000)
Grants for capital acquisitions treated as Investing Activity		<b>(2,214,617)</b>	(260,252)
Net (Gain) Loss on Disposals		<b>94,543</b>	(25,142)
		<b><u>1,689,755</u></b>	<u>1,815,119</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>(7,700)</b>	7,366
Net (increase) decrease in inventories		<b>148,045</b>	(57,040)
Net increase (decrease) in trade & other payables		<b>956,361</b>	(109,559)
Net increase (decrease) in other provisions		-	(294,000)
<b>Net Cash provided by (or used in) operations</b>		<b><u>2,786,461</u></b>	<b><u>1,361,886</u></b>

**(d) Financing Arrangements**

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

Corporate Credit Cards	<b>9,000</b>	9,000
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.



**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 10 - 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				
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Administration	2,496,760	2,404,685	1,218,570	472,670	1,278,190	1,932,015	1,031,527	1,020,353	3,477,559	3,671,038
Public Order & Safety	6,612	7,052	1,260	38,316	5,352	(31,264)				
Health	275,643	202,776	174,943	265,528	100,700	(62,752)	8,898	106,905		
Housing & Community Services	775,116	1,238,876	812,236	860,313	(37,120)	378,563	49,927	316,036	246,986	246,986
Protection of the Environment	140,517	15,975	36,207	65,986	104,310	(50,011)	125,766	114,333		
Sport Recreation & Culture	31,497	40,458	345,798	549,870	(314,301)	(509,412)	2,877	112,996		
Fuel & Energy	-	-	-	-	-	-	1,214,617			
Mining & Manufacture	5,418	5,249	3,302	1,003	2,116	4,246				
Transport & Communication	580,160	567,572	1,098,014	1,247,140	(517,854)	(679,568)	1,572,120	722,804	39,997,506	36,371,112
Economic Affairs	48,325	28,690	72,578	65,825	(24,253)	(37,135)				
Other Purposes	16,476	83,535	(3,090)	92,815	19,566	(9,280)		7,987		
					-	-				
					-	-				
					-	-				
<b>TOTALS</b>	<b>4,376,524</b>	<b>4,594,868</b>	<b>3,759,818</b>	<b>3,659,466</b>	<b>616,706</b>	<b>935,402</b>	<b>4,005,732</b>	<b>2,401,414</b>	<b>43,722,051</b>	<b>40,289,136</b>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 10 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**Council Administration**

Governance, Administration, Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

**Public Order and Safety**

Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Parking Control, and Other Regulatory Services.

**Health**

Health Inspection, Food Control, Immunisation services and other Health Services.

**Housing and Community Amenities**

Maintenance of housing rented to tenants, refuse collection services, operation of refuse and recycling depot, administration of town planning, stormwater drainage, public conveniences, cemetery, street lighting, street cleaning and other community development amenities.

**Protection of the Environment**

Coastal protection, foreshores, boatramp facilities and other environment.

**Recreation and Culture**

Maintenance of halls, various parks and gardens, reserves, ovals and other sporting facilities, playgrounds, contribution to community library and administration of arts and cultural services.

**Mining and Manufacturing**

Administration of Building Act and the Development Act.

**Transport and Communication**

Construction and maintenance of roads, drainage works, footpaths, parking facilities and signs.  
Management of aerodrome.

**Economic Affairs**

Pest control services, tourism, agriculture

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 11 - 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</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated 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> Secured over the subject land, arrears attract interest of 8% (2019: 8%) 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>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the 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 - Interest Bearing Borrowings</b>	<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 3.35% and 6% (2019: 3.35% and 6%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 11 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2020</b>	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	3,083,706			3,083,706	3,083,706
Receivables	326,178			326,178	326,178
<b>Total</b>	<b>3,409,884</b>	-	-	<b>3,409,884</b>	<b>3,409,884</b>
<b><u>Financial Liabilities</u></b>					
Payables	702,119			702,119	702,119
Current Borrowings	313,629			497,785	313,629
Non-Current Borrowings		4,560,842	1,426,911	5,987,753	5,501,070
<b>Total</b>	<b>1,015,748</b>	<b>4,560,842</b>	<b>1,426,911</b>	<b>7,187,657</b>	<b>6,516,818</b>
<b>2019</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	3,136,839			3,136,839	3,136,839
Receivables	368,471			368,471	368,471
<b>Total</b>	<b>3,505,310</b>	-	-	<b>3,505,310</b>	<b>3,505,310</b>
<b><u>Financial Liabilities</u></b>					
Payables	52,784			52,784	52,784
Current Borrowings	569,261			569,261	344,772
Non-Current Borrowings		1,727,942	4,658,897	6,386,839	5,814,699
<b>Total</b>	<b>622,045</b>	<b>1,727,942</b>	<b>4,658,897</b>	<b>7,008,884</b>	<b>6,212,255</b>

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

	<b>30 June 2020</b>		<b>30 June 2019</b>	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	<b>4.175</b>	<b>6,016,818</b>	3.74	6,212,255
		<b>6,016,818</b>		<b>6,212,255</b>

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 11 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the 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 Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 12 - FINANCIAL INDICATORS**

	2020	2019	2018
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	14.1%	20.0%	21.7%
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>	144%	121%	132%
Total Operating Income			

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

***Adjustments to Ratios***

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

<b><i>Adjusted Operating Surplus Ratio</i></b>	13.3%	20.0%	21.5%
<b><i>Adjusted Net Financial Liabilities Ratio</i></b>	161%	121%	118%

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	173%	201%	82%
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.

**Ratio Analysis:**

*Provide a brief analysis about the state of Councils financial health with reference to movements from year to year of the two adjusted ratios as well as the asset renewal ratio.*

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 13 - 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>2020</b>		<b>2019</b>
	\$		\$
Income	<b>4,376,523</b>		4,594,868
Expenses	<b>(3,759,818)</b>		<b>(3,659,466)</b>
<b>Operating Surplus / (Deficit)</b>	<b>616,705</b>		935,402
 <b>Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	<b>(2,118,715)</b>		(1,012,974)
Add back Depreciation, Amortisation and Impairment	<b>988,503</b>		964,037
Proceeds from Sale of Replaced Assets	<b>57,500</b>		74,536
	<b>(1,072,712)</b>		25,599
 <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>(2,917,893)</b>		(1,123,387)
Amounts received specifically for New and Upgraded Assets	<b>2,214,617</b>		260,252
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<b>269,669</b>		88,000
	<b>(433,607)</b>		<b>(775,135)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(889,614)</b>		185,866

**District Council of Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 14 – 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 2018-19; 9.50% in 2019-20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

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

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 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 Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 15 - 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 737 km of road reserves of average width 20 metres.

**2. POTENTIAL INSURANCE LOSSES**

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to 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. LEGAL EXPENSES**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 0 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 Franklin Harbour**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 16 - 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, 9 persons were paid the following total compensation:

	<b>2020</b>	2019
	\$	\$
Salaries, allowances & other short term benefits	454,723	447,165
Post-employment benefits		
Long term benefits		
Termination benefits		
<b>TOTAL</b>	<b>454,723</b>	447,165

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

	<b>2020</b>	2019
	\$	\$
Contributions for fringe benefits tax purposes		
Planning and building applications fees	257	173
Rentals for Council property		
<b>TOTAL</b>	<b>257</b>	173

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

Two Councillors own retail businesses from which various supplies were purchased as required on a 7 day account. Total purchases amounted to \$20,594 for the financial year.

A donation of \$5,000 was made to the Lions Club of Cowell. 3 of the Elected Members are members of this group

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the District Council of Franklin Harbour

### Qualified Opinion

We have audited the accompanying financial report of the District Council of Franklin Harbour (the Council), which comprises the Statement of Financial Position as at 30 June 2020, Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of District Council of Franklin Harbour.

In our opinion, except for the effect of the matters described below in the Basis for Qualified opinion paragraph, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

### Basis for Qualified Opinion

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

In our opinion the depreciation expense (Statement of Comprehensive Income) and the reported carrying value of the Transport Infrastructure assets which are reported as part of Council's Infrastructure assets within Infrastructure, Property, Plant & Equipment assets (Balance Sheet) for the financial year ended 30 June 2020, are not able to be relied upon. The reason the reported asset carrying values and associated depreciation expense are not able to be relied upon is that there has not been a review of the remaining useful lives and test for impairment (including a physical condition assessments and test for obsolescence) on the entire class of assets since 30 June 2014.

A complete stocktake of Council's Transport Infrastructure assets has also not been undertaken since the last valuation was completed as at 30 June 2014 to verify the completeness of Council's asset register to confirm that all assets had been appropriately accounted for.

At the date of signing this audit report, due to the matters raised above in relation to Transport Infrastructure assets, we are unable to rely on the accuracy and completeness of the reported depreciation expense and asset carrying values recorded in the Statement of Comprehensive Income and Balance Sheet.

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

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Council's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**

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

**SAMANTHA CRETEN  
PARTNER**

Signed on the 17th day of November 2020,  
at 214 Melbourne Street, North Adelaide

## **INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE DISTRICT COUNCIL OF FRANKLIN HARBOUR**

### **Opinion**

In our opinion, the Council has complied, in all material respects, with Section 129(1)(b) of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

### **Basis for opinion**

We have audited the Internal Controls of the District Council of Franklin Harbour (the Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

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

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

### **Our Independence and Quality Control**

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

### **Assurance Practitioner's Responsibilities**

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedure to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period.

An assurance engagement to report on the designed and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

#### **Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

#### **Limitations of Controls**

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

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

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN  
PARTNER**

Signed on the 17<sup>th</sup> day of November 2020  
at 214 Melbourne Street, North Adelaide, South Australia, 5006

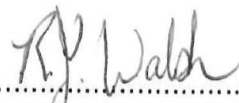
**District Council of Franklin Harbour  
Annual Financial Statements  
for the year ended 30 June 2020**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Coalface SA Council for the year ended 30 June 2020, the Council's Auditor, ....., 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*.

  
.....  
Shane Gill  
**CHIEF EXECUTIVE OFFICER**

  
.....  
Mayor Robert Walsh  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 20/10/2020



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

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

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



**SAMANTHA CRETEN**

**Partner**

# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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## ANNUAL REPORT



# 2019-20

[WWW.EPLGA.COM.AU](http://WWW.EPLGA.COM.AU)

### Authors:

Peter Scott  
Executive Officer  
Eyre Peninsula Local Government Association

Sue Henriksen  
Business Support Officer  
Regional Development Australia Eyre Peninsula Inc.

*Cover photo:  
Murphy's Haystacks, Eyre  
Peninsula. Photo: SATC.*



## THE PRESIDENT'S REPORT

This annual report details the last 12 months activity undertaken by the EPLGA, its financial accounts, and operative regional collaborative partnerships.

The vision and goal of the EPLGA, to “**enable Eyre Peninsula councils to excel, innovate, and thrive**”, has never been more relevant for the region than now. We have been facing many challenges and opportunities, with the need for the councils of the EP to be working closely together.

The EPLGA has seen a change in the position of Executive Officer, with Tony Irvine retiring at the end of 2019. The contribution which Tony has made over many years of involvement with local government on the Eyre Peninsula deserves recognition, especially his time as the EPLGA Executive Officer. The EPLGA is in a much stronger position due to the work which has been done by Tony over his tenure.

Peter Scott was appointed in February 2020, bringing with him already established knowledge and relationships from his prior employment. With this appointment, there was also developed a shared service agreement with RDAEP to deliver economic development projects agreed with a joint workplan arrangement. These new and unique arrangements will help local government have a strong interest in economic development and also make economic savings for both organisations.

Our communities, councils, and region have been impacted by the unprecedented effects of the COVID-19 global pandemic, with the need to be working within the restrictions and challenges which it has produced. I am truly proud of the community cohesiveness of the Eyre Peninsula, and the leadership which our Mayors, CEOs, and elected members have shown throughout the ongoing challenges. The impacts, both social and financial, will continue for a long period of time, and we must be focused on the needs of our communities as we work through it.

There has been much attention on Local government in the last twelve months, with both sides of State Parliament challenging councils and communities to look at areas of potential legislative and operational reform.

Regional health continues to be an area where the EPLGA and its members are striving for appropriate action. To have a situation where communities are isolated without adequate medical care cannot be accepted. Although there have been some positive steps, there is still no clear process that will lead to outcomes that provide for our communities in the long-term, and this is something we must continue to work towards.

In response to repeated electricity outages which have led to significant telecommunications outages, the EPLGA have been asking for adequate response to ensure our communities are safe and secure. For our communities to be without any form of communication during times of catastrophic weather conditions and threatening situations is completely unacceptable. This advocacy work recognises that it is a complicated issue that has many different aspects, but a solution needs to be delivered.



It has been encouraging to see the way that our EP councils have been working together to deal with the situation which is coming with changes to the State planning system. Through proper structures and cooperation, our councils will be able to make economic savings, as well as delivering better planning outcomes for our communities.

A changing freight dynamic has also been prominent for the Eyre Peninsula with the closure of the EP Rail network in 2019. Along with this, there is also a need for councils to be proactive and aware of potential changes which might happen with a number of different export port proposals.

As well as these things, there will continue to be work on a range of other challenges, including coastal protection, tourism, waste management, infrastructure funding, economic development, fishing reforms, and many more.

The continuing financial challenges of regional councils mean that the EPLGA members will continue to look at innovative ways to deliver services and infrastructure to their communities. This will mean the potential for shared or joint services between councils around some of the core business of councils could be more developed.

The ongoing challenge for the EPLGA Board in this changing environment is to continue and improve its:-

- *Advocacy (and Representation) – the EPLGA being the principal regional advocate for Local Government in the region*
- *Governance – continuing to ensure that our business is conducted in accordance with the law and proper standards*
- *Member Services – the EPLGA to continuing to provide member support services as they are needed*

The EPLGA is a vital conduit between its member councils and the LGA of SA, with the potential for close collaboration to help deliver outcomes for our communities. The communication with both State and Federal governments will also be very important, with the need to maximise funding and partnership opportunities.

As President of the EPLGA I look forward to leading with my fellow EPLGA Board members in recognising the opportunities to be innovative and forward-thinking as a region. The EPLGA Board and member Councils will need to have strong, responsive and accountable leadership, driving the opportunities for change while balancing the strengths which we already have as organisations and a region. This leadership and representation throughout our communities and with other levels of government will mean that the Eyre Peninsula will continue to add to its many strengths in the years to come.

MAYOR SAM TELFER

PRESIDENT – EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION



**Eyre Peninsula Regional Profile** - provided by Regional Development Australia Eyre Peninsula

## AREA

11 council areas

234,937 km<sup>2</sup>

## POPULATION

Number of residents (ABS ERP 2019)

57,805

## ECONOMY

Gross Regional Product (NIEIR

\$3.35 billion

## JOBS

Local jobs (NIEIR

21,949 FTE

## LOCAL EMPLOYMENT

Employed residents (NIEIR June 2019)

26,375

## WELL-BEING

Median weekly household income (ABS 2016)

\$1,081

## BUSINESS

Registered Businesses

5,134





## Residential Population

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION (2019 ABS ERP)	
	Km <sup>2</sup>	% of Region	No.	% of Region
Whyalla	1,072	0.46	21,665	37.5
Port Lincoln	30	0.01	14,718	25.5
Ceduna	5,424	2.31	3,442	6.0
Cleve	5,018	2.14	1,792	3.1
Elliston	6,741	2.87	1,008	1.7
Franklin Harbour	2,755	1.17	1,304	2.3
Kimba	5,700	2.43	1,065	1.8
Lower Eyre Peninsula	4,715	2.01	5,780	10.0
Streaky Bay	6,226	2.65	2,192	3.8
Tumby Bay	2,671	1.14	2,702	4.7
Wudinna	5,079	2.16	1,300	2.2
Maralinga Tjarutja and Unincorporated SA	189,453	80.64	724	1.3
Collective Local Government Total	234,884	99.98	57,692	99.8
REGION TOTAL	234,937		57,805	

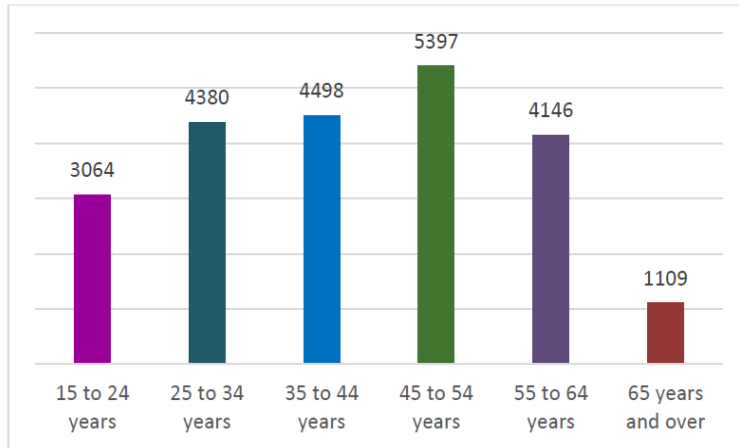
## Population Summary

The Census usual resident population of the RDA Eyre Peninsula region in 2016 was 56,612 living in 30,441 dwellings with an average household size of 2.28. 2019 ABS ERP (Estimated Resident Population) shows marginal growth of 2.06% across the region to 57,805. Indications for the City of Whyalla and District Council of Elliston show population declines of .75% and 3.6% respectively.

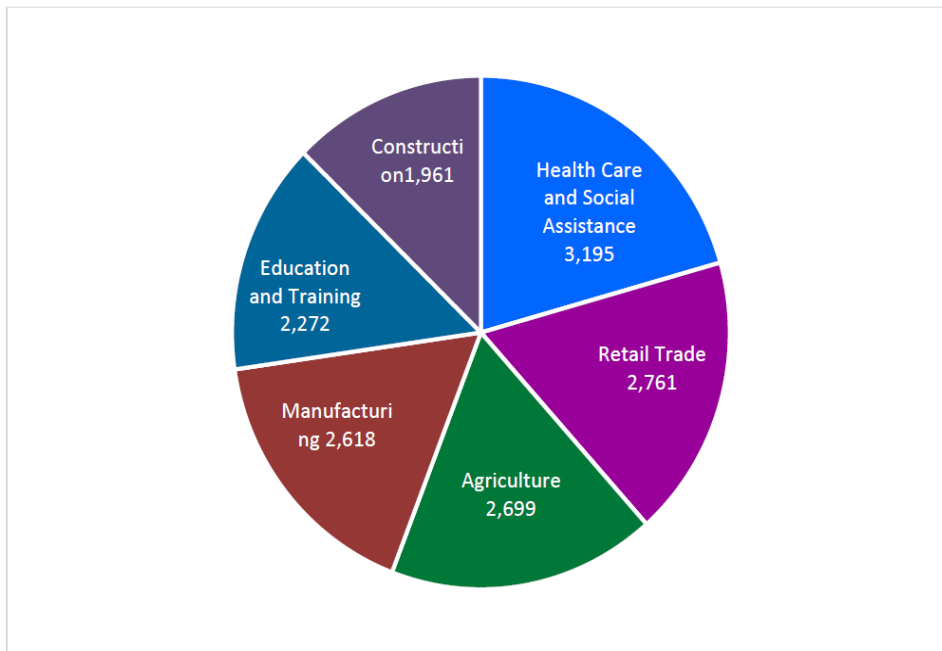
The median age of Eyre Peninsula residents is 42, compared to 45 in regional SA, 40 in South Australia and a median age of 38 in Australia.



## Local Workers Age Structure



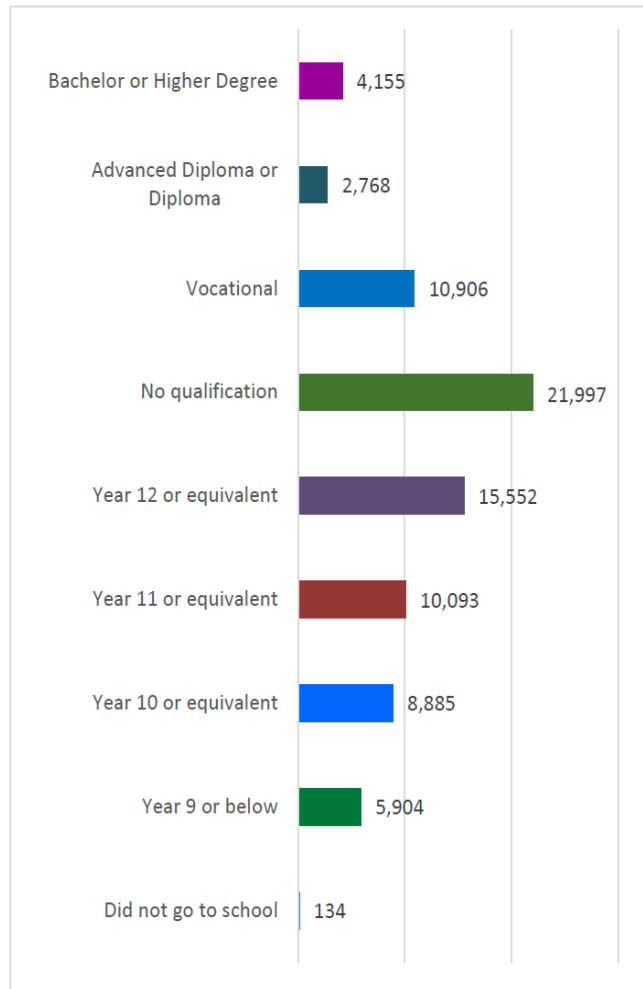
## Top 6 Employing Industries







## Level of Qualification



In 2016 (ABS Census) 23,868 people living in the RDA Eyre Peninsula region were employed, of which 58% worked full-time and 40% part-time.

Most part-time employment occurred in the Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, Fishing and Aquaculture industries. These industries typically rely on a high proportion of part-time workers, and the number of jobs provided markedly exceeds the total FTE hours being worked.

Employment continuity in the Fishing and Aquaculture industries is also impacted by the seasonal nature of some jobs.

A growing future workforce demand is set to provide a major challenge for the region and specific strategies are required to meet industry requirements.

The transformational economies such as space, renewable energy, advanced manufacturing and agricultural technologies will require a sustainable highly-skilled workforce.



## Top 10 Exporting Industries in Region 2018-2019 (\$m)

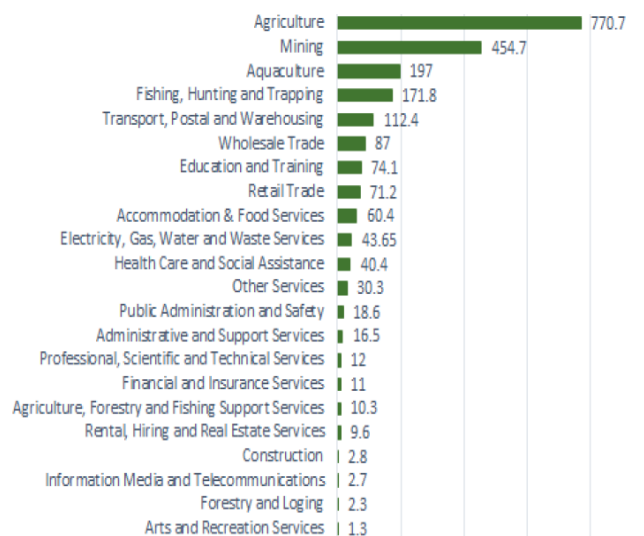
	Whyalla	Port Lincoln	Ceduna	Cleve	Elliston	Franklin Harbour	Kimba	Lower EP	Streaky Bay	Tumby Bay	Wudinna	LGA Totals	Region Totals
Manufacturing	897.9	76	3.1	4.7	1.1	1.2	0.2	5.3	7.4	1.9	1.5	1000.3	1,001
Agriculture	0.2	3.3	47.7	113	59.7	20.4	74.4	147.7	78.1	128.2	90.3	763	770.7
Mining	382.1	6.4	16.4	0	1.3	5.4	0	5.7	0.4	2.9	1	421.6	454.7
Aquaculture	1.3	95.6	17.6	8.6	1.7	6.2	1.9	56.9	7.1	0	0	196.9	197
Fishing, Hunting and Trapping	4.4	129	7.2	0.7	10.2	0.6	0	5.3	12.8	1.6	0	171.8	171.8
Transport, Postal and Warehousing	19.3	44	15.8	9	2.1	0.6	1.2	6.9	6.8	2.1	3.9	111.7	112.4
Wholesale Trade	14.5	36.6	15.9	0.9	0.2	1.4	0.8	5.3	0.9	6.2	4.2	86.9	87
Education and Training	28.6	26.1	7	2.3	1.4	1.2	0.8	0.5	2	0.4	3	73.3	74.1
Retail Trade	8.8	46.7	3.4	3.8	0.7	1	0.9	1.5	2	1	1.2	71	71.2
Accommodation & Food Services	10.4	27.1	7.2	2.6	1.6	0.7	1.3	2	3.3	2	1.2	59.4	60.4
<b>Total (Top 10 Council Exports) (\$m)</b>	<b>1367.5</b>	<b>490.8</b>	<b>141.3</b>	<b>145.6</b>	<b>80</b>	<b>38.7</b>	<b>81.5</b>	<b>237.1</b>	<b>120.8</b>	<b>146.3</b>	<b>106.3</b>	<b>2955.9</b>	<b>3,000</b>

In 2018-19, regional exports to intrastate, interstate and overseas markets were valued at \$3.201 billion. The region’s main exporting industries were:

Manufacturing –\$1 billion.

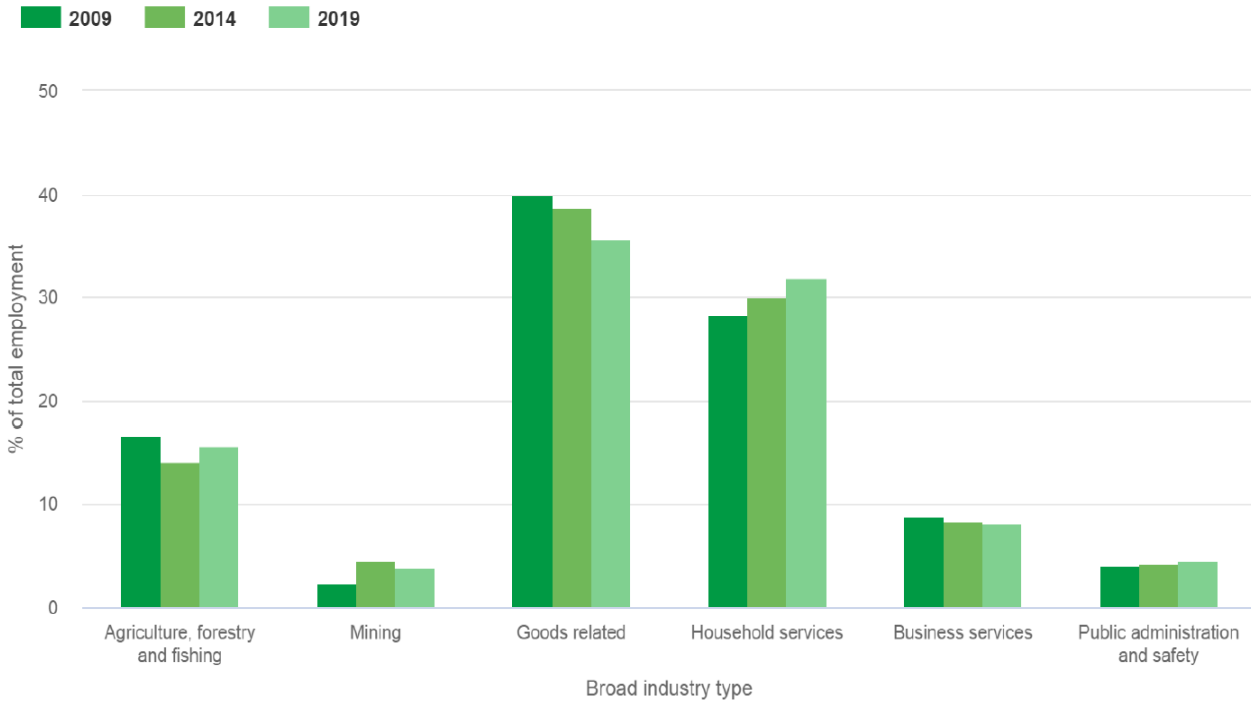
Agriculture –\$770.7 million.

Mining –\$454.7 million.





## Employment Composition:



In 2019 the Goods related sector (Manufacturing; Electricity, Gas, Water and Waste Services; Construction; Wholesale Trade; Retail Trade; and Transport, Postal and Warehousing) accounted for 35.6% of employment in the RDAEP region. The importance of this sector has declined over the last 10 years (39.9% in 2009).

Small and medium size business enterprises (SMEs) are the backbone of the regional economy. Small business sustainability is directly related to the success of the region’s major industries – i.e. manufacturing, agriculture, mining, aquaculture, health care, and tourism.

In 2019, the region had 5,134 registered businesses. The Agriculture, Fishing and Forestry had the largest number, comprising 1,836 (35.8%) followed by Construction with 625 registered businesses (12.2%) and Rental, Hiring and Real Estate Services 448 (8.7%).

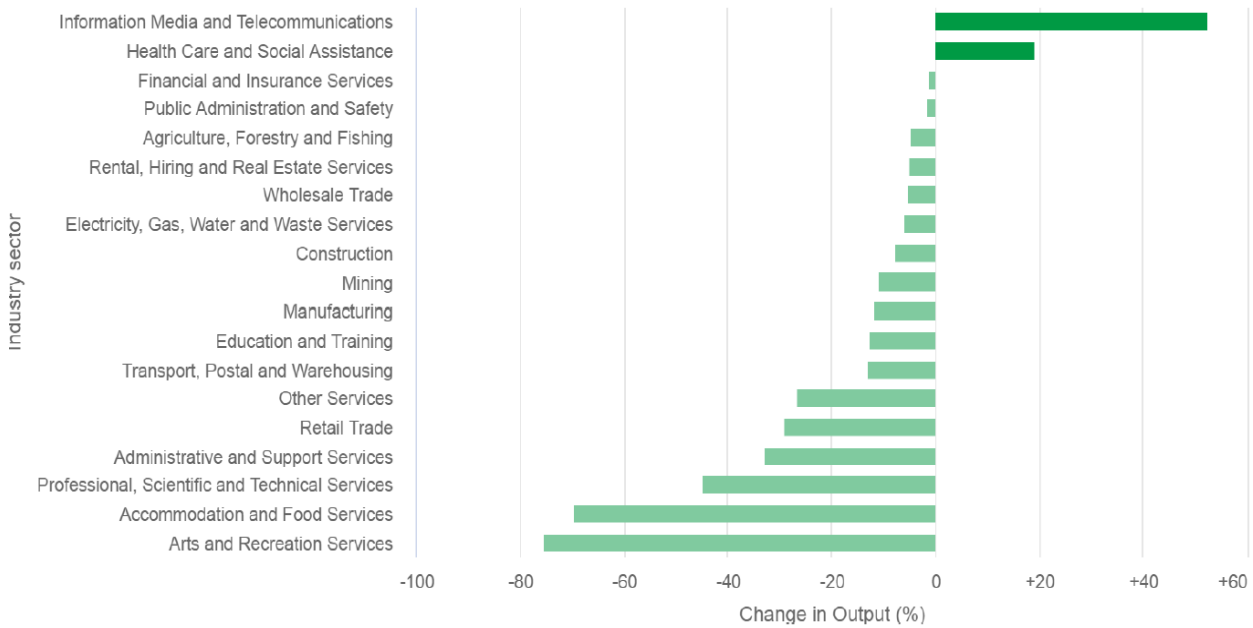
From 2018 – 2019, the total number of registered businesses declined by 114 with the biggest declines in the Rental, Hiring and Real Estate Services (-23%) and, Financial and Insurance Services industries (-20%). Increases in businesses services were mostly in the Mining (+12%), Manufacturing (+7%), and Electricity, Gas, Water and Waste Services and Education and Training industries (both



# COVID ECONOMIC OUTLOOK

## Output impact in June Quarter 2020

(compared to 2018/19 quarter average)



### Headline Estimates:

COVID-19 impacts to the June Quarter 2020 compared to the 2018-19 4-quarter average include:

- Gross Regional Product is forecast to fall by -8.7%. This fall is lower than the State average of -9.9%.
- Local jobs are forecast to fall by -5.9% which equates to a fall of 1,484 local jobs.
- If JobKeeper recipients' impacts are included then the employment fall is estimated at -11.2% (2,803 jobs).
- The impact on employed residents (-6.0) was higher than the local job impact.

### Top 3 Sector Impacts (excluding JobKeeper)

- Accommodation and Food Services (-448 local jobs)
- Retail Trade (-246 local jobs)
- Education and Training (-189 local jobs).



## MEMBER COUNCILS 2019/2020

- City of Whyalla
- City of Port Lincoln
- DC Ceduna
- DC Cleve
- DC Elliston
- DC Franklin Harbour
- DC Kimba
- DC Lower Eyre Peninsula
- DC Streaky Bay
- DC Tumby Bay
- Wudinna DC



## THE LOCAL GOVERNMENT REPRESENTATIVES/ APPOINTMENTS

### *EPLGA Board Executive:*

<b>President</b>	Mayor Sam Telfer	DC Tumby Bay
<b>Immediate Past President</b>	Mayor Travis Barber (In absence of Mayor Bruce Green - did not stand for election)	DC Streaky Bay
<b>Deputy President</b>	Mayor Claire McLaughlin	City of Whyalla
<b>Chief Executive Officer</b>	Mrs Deb Larwood	DC Kimba

The President (LGA Board and SAROC), Deputy President (Proxy LGA Board), Mayor Johnson (Second SAROC Representative due to Mayor McLaughlin being an Upper Spencer Gulf LGA representative on SAROC) were the nominated representatives to the LGA

### *Chief Executive Officers Committee:*

All Chief Executive Officers of member Councils or nominee in their absence.

### *Engineering & Works Committee:*

The committee is comprised of all Engineers, Operations or Works Managers from member Councils or nominee in their absence.

### *EPLGA Health Working Party*

The EPLGA Board at its 1 December 2017 meeting established a Health Working Party to develop strategies for the recruitment of health professionals for long term careers in the region.

Membership of the Working Party will comprise the President and representatives (Elected Members) from member Councils. Member Councils may seek to be members of the Working Party at any time by applying to the EPLGA Board for inclusion. They may also withdraw as they wish but advise the EPLGA Board of such. Members of the Health Working Party will nominate a proxy to attend a meeting if the member is unable to participate. The EPLGA Executive Officer will be a non-voting member.

The Working Party may invite other relevant parties/State agencies/regional organisations to the meetings as required, but are non-voting, e.g. Minister or nominee, SA Country Health, relevant unions, relevant associations, regional businesses, regional health professionals, local MP's, etc.)

### *Other Regional Organisations:*

#### **Regional Development Australia Eyre Peninsula Inc:**

Cr Bryan Trigg , Chair/Executive - DC Cleve

#### **Zone Emergency Management Committee:**

Mayor Brad Flaherty (Presiding Member) - City of Port Lincoln  
Peter Scott, Executive Officer - EPLGA  
Representatives from each Council

#### **Eyre Peninsula Integrated Climate Change Sector Agreement Steering Committee:**

Peter Scott, Executive Officer - EPLGA

#### **South Australian Regional Organisation of Councils (SAROC) Executive Officers Committee:**

Peter Scott, Executive Officer - EPLGA

#### **Eyre Peninsula Water Taskforce:**

Mayor Sam Telfer - President, EPLGA  
Peter Scott - Executive Officer, EPLGA

### **EPLGA Board Members 2018/19**

Under the terms of the EPLGA Charter, the following Board appointments were current as at 30 June 2020.



<b>MEMBER COUNCIL</b>	<b>BOARD MEMBER</b>	<b>DEPUTY BOARD MEMBER</b>
<b>Ceduna</b>	Perry Will (Mayor)	Ian Bergmann (D/Mayor)
<b>Cleve</b>	Phil Cameron (Mayor)	Robert Quinn (D/Mayor)
<b>Elliston</b>	Malcolm Hancock (Mayor)	Peter Hitchcock (D/Mayor)
<b>Franklin Harbour</b>	Robert Walsh (Mayor)	Daven Wagner (D/Mayor)
<b>Kimba</b>	Dean Johnson (Mayor)	Megan Lienert (D/Mayor)
<b>Lower Eyre Peninsula</b>	Jo-Anne Quigley (Mayor)	Peter Mitchell (D/Mayor)
<b>Port Lincoln</b>	Brad Flaherty (Mayor)	Faye Davis (D/Mayor)
<b>Streaky Bay</b>	Travis Barber (Mayor)	Philip Wheaton (D/Mayor)
<b>Tumby Bay</b>	Sam Telfer (Mayor)	Robert Randall (D/Mayor)
<b>Whyalla</b>	Clare McLaughlin (Mayor)	Rick Santucci (D/Mayor)
<b>Wudinna</b>	Eleanor Scholz (Mayor)	Ned Luscombe (D/Mayor)



## ANNUAL CONFERENCE AND BOARD MEETINGS SCHEDULE

A highlight on the EPLGA calendar is the Annual Conference, hosted each year by a member Council. To assist in host Council planning, the following conference and Board meeting schedule is included (including the past 12 months meeting and conference locations).

Monday, 25 February 2019	Kimba
Friday, 28 June 2019	Wudinna
Friday, 6 September 2019	Ceduna
Friday, 6 December 2019	Wudinna
Conference Feb/ March 2020 (either last week of Feb & first week of March)	Wudinna
Friday, 26 June 2020	Wudinna
Friday, 4 September 2020	Lower EP
Friday, 4 December 2020	Wudinna
Conference Feb/March 2021 (either last week of Feb & first week of March)	Cowell
Friday, 25 June 2021	Wudinna
Friday, 3 September 2021	Port Lincoln
Friday, 3 December 2021	Wudinna
Conference Feb/ March 2022 (either last week of Feb & first week of March)	Cleve
Friday, 24 June 2022	Wudinna
Friday, 2 September 2022	Kimba
Friday, 2 December 2022	Wudinna
Conference Feb/ March 2023 (either last week of Feb & first week of March)	Streaky Bay
Friday, 30 June 2023	Wudinna
Friday, 1 September 2023	Cowell
Friday, 1 December 2023	Wudinna
Conference Feb/March 2024 (either last week of Feb & first week of March)	Elliston
Friday, 28 June 2024	Wudinna
Friday, 6 September 2024	Cleve
Friday, 6 December 2024	Wudinna
Conference Feb/March 2025 (either last week of Feb & first week of March)	Tumby Bay
Friday, 27 June 2025	Wudinna
Friday, 5 September 2025	Elliston
Friday, 5 December 2025	Wudinna
Conference Feb/March 2026 (either last week of Feb & first week of March)	Whyalla
Friday, 26 June 2026	Wudinna
Friday, 4 September 2026	Tumby Bay
Friday, 4 December 2026	Wudinna
Conference Feb/March 2027 (either last week of Feb & first week of March)	Ceduna
Friday, 25 June 2027	Wudinna
Friday, 3 September 2027	Whyalla





## REPORT OF ACTIVITIES 2018/19

EPLGA core activities always include reacting to legislation and policy changes that may have a negative impact on our region. This year ongoing concerns and/or participation have been with the following matters:

- › Natural Resources Management – joint partnership planning, delivery of services.
- › Regional Recognition/Lobbying – ongoing on various matters as they arise.
- › Mining and Impacts – continuation of the taskforce activities – but Taskforce did not meet.
- › Emergency Management – regional planning and Council planning, followed by implementation.
- › Development, Planning and Infrastructure Act Reform.
- › Coastal Access issues, development of a Coastal Alliance – state-wide.
- › Various roads and waste issues – regional road strategy review.
- › Regional Strategy for LGA – decentralisation and election lobbying.
- › Regional Capacity Funding – General funding and Rubble Royalties.
- › Marine Infrastructure Planning – DPTI, jetty leases, etc.
- › SAROC – meetings and regional Executive Officers’ meetings.
- › LGA Governance/Reform – Councils of the Future.
- › Mobile phone black spots - applications.
- › Water planning – state of the resource, etc.
- › Energy planning – resulting from blackouts – renewables, transmission upgrade consultation, hydrogen trial plant, etc.
- › Regional planning – JPB, RDAEP, EPNRM, DPTI, etc.
- › Financial assistance and supplementary road funding – ongoing issues of South Australia’s injustice.
- › Health – local sub-regional issues, public health planning, doctors shortages etc.
- › Outreach Services (last year of this LGA Contract):
  - Regional Procurement;
  - CEO’s Committee;
  - Engineering & Works Committee;
  - Regional training and seminars delivery;
  - Shared Services – DPTI pilot; and
  - Long term financial planning;
- › Roadside Native Vegetation – regional planning and management issues.
- › Tourism – RDAEP - restructure to sub-regional groups, Food and Tourism Prospectus, RV, Coastal Access and Caravan Strategy, Eyes on Eyre etc.
- › Aged Care at the local Council level – Council’s role.
- › NHVR impacts on farm machinery movements.
- › Transport Plan and SLRP prioritisation and funding applications.
- › Oil and gas exploration in the Great Australian Bight.
- › Eyre Peninsula railway closure
- › Joint submissions with RDAEP on various issues.



## PLANS, PROGRAMS AND REPORTS – CURRENT STATUS

### CORPORATE PLAN 2016 – 19

The Council Mayors and Chief Executive Officers of the EPLGA have contributed to the development of the EPLGA Corporate Plan. It was clear from responses to our 2015 survey that the member Councils placed great importance on the following:

- *advocacy (and representation) – the EPLGA being the principal regional advocate for Local Government in the region;*
- *governance – continuing to ensure that our business is conducted in accordance with the law and proper standards;*
- *member services – the EPLGA to continue to provide member support services as they are needed; and*
- *outreach services – connecting Councils with desirable services offered by the LGA of SA.*

To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term 'Management Plan or Corporate Plan'. The Management Plan is for the period 2016 – 2019 and reviewed annually, incorporating an updated annual work plan and budget for the current year. It also includes the current strategic directions of the EPLGA for that period. Each year through the Annual Business Plan process the Corporate Plan Strategies and Actions are refined to those still outstanding or ongoing strategies and actions.

The Corporate Plan will be updated in 2020.

### MANAGEMENT PLAN PERFORMANCE FOR 2019 – 20

#### Goal Area 1.1 Advocacy and Representation

##### *Core Activities*

- 1.1.1 Represent and strengthen the common values of members
- 1.1.2 Represent members and regional objectives in engagement and liaison with key stakeholder agencies – e.g. LGA, DPTI, PIRSA
- 1.1.3 Provide a lobbying platform to promote the interests and issues of member Councils to other levels of government

##### *Comments:*

*Advocacy and representation is demonstrated through lobbying of other levels of government, which occurs as and when needed and often through the SAROC, LGA Board and in collaboration with the other regional organisations. Matters requiring lobbying this financial year included:*

- *Health – Doctors and professional health shortages and issues*
- *New deep sea port for Eyre Peninsula*
- *Railway Closure*
- *Road network pressure and planning due to railway closure*
- *Eyre Peninsula Regional Assessment Panel matters*
- *Regional Airports – screening*
- *TAFE – Campus closures and course offerings*
- *Local heritage listings & procedures*
- *Eyre Peninsula Strategy document*

##### *Strategic Actions*

- 1.1.4 Develop effective working relationships between the EPLGA and member Councils and external stakeholder agencies and organisations
- 1.1.5 Develop key EPLGA messages to demonstrate maximum alignment to the State Strategic Plan and Economic Priorities, in particular economic reform and jobs, climate change and renewable energy
- 1.1.6 Develop the understanding of, and commitment to, mutuality of interests to optimise benefit for member Councils across the region from advocacy and partnerships



- 1.1.7 Lead the completion of the Economic Development Strategy and Regional Strategic Plan and identify and lead the development of regional strategic responses to key issues as and when required.

**Comments:** *EPLGA have entered into a unique shared services agreement with Regional Development Australia Eyre Peninsula for the services of the EO. Reducing costs for both organisations, the shared service is working well and reinforces the cooperation across economic development and local government issues.*

## Goal Area 1.2 Governance

### Core Activities

- 1.2.1 Comply with legislative requirements
- 1.2.2 Identify and pursue the resourcing needs of members
- 1.2.3 Manage EPLGA financial and other resources for maximum member benefit, and based on the principle that recurrent operational expenses must be funded by recurrent operational revenue

### Comments:

**Compliance met.**

### Strategic Actions

- 1.2.4 Investigate and identify options to improve local government and regional governance, including alternative governance models, strategic planning, and land use planning for the region
- 1.2.5 Assist member Councils in meeting legislative compliance
- 1.2.6 Develop and manage formal alliance and partnership arrangements with partner agencies and entities- e.g. RDAEP and EP Landscape Board.
- 1.2.7 Pursue collaborative initiatives with partner agencies - e.g. joint submissions on strategic issues with RDAEP and EP Landscape Board.

### Comments:

**Eyre Peninsula Regional Assessment Panel is now in place. Assisting Councils to share and assist one another where expertise is not available, etc. The staff committees are useful in this process. The other regional organisations are encouraged to work closely with member Councils and to investigate opportunities for region wide projects to maximise procurement benefits, etc.**

## Goal Area 1.3 Member Services

### Core Activities

- 1.3.1 Maintain the cycle of quarterly meetings to enable collective decision-making and enhance member networking
- 1.3.2 Maintain and support members with the coordination of the annual conference
- 1.3.3 Identify resourcing gaps and needs, and pursue resolutions to key issues in liaison with members
- 1.3.4 Facilitate initiatives to attract funding and investment
- 1.3.5 Provide advisory and support services to Elected Members
- 1.3.6 Coordinate strategic meetings and presentations on key issues; including the provision of key speakers to provide information, contact and support services
- 1.3.7 Coordinate delivery of Council-supported training and development initiatives in the region

### Comments:

**All core activities are being met at a regional level which brings considerable savings to individual Councils.**

### Strategic Actions

- 1.3.8 Continue to facilitate the activities of the EP Mineral & Energy Resources Community Development Taskforce.
- 1.3.9 Develop value-added services for member Councils, based on collective or regional value and cost-benefit
- 1.3.10 Facilitate and promote the development of shared procurement initiatives.



- 1.3.11 Facilitate the development of a regional transport strategy, including the identification of road priorities and road funding proposals.
- 1.3.12 Establish and facilitate specialised interest groups, such as Council works managers and compliance staff.
- 1.3.13 Maintain communications with member Councils and the regional community through media releases, website, newsletter and formal means of communication.
- 1.3.14 Establish an annual business (work) plan for the Executive Officer to manage and report against.

**Comments:**

*Shared procurement services is difficult in such a large region, however the CEOs continue to work together on LG procurement council requirements and shared services in planning to complement the implementation of the updated Planning and Development Act.*

*With the railway closure the completed Eyre Peninsula Transport Strategy 2020 will need to be updated with the construction of a new port on Eyre Peninsula.*

*Regional communications with Councils and other groups is mainly carried out through emails, media releases, staff meetings etc.*

*RDAEP and the EPNRM Board have, over the last 12 months, worked with the EPLGA and member Councils to add value to regional projects like Eyes on Eyre, where all parties benefit.*

*Staff regional committees assist in developing and refining regional strategy recommendation to the EPLGA Board.*

**KEY PERFORMANCE INDICATORS**

While the measurement of performance is a key component of planning, the nature of the workload for the Executive Officer has typically made KPI setting and measurement difficult. Much of the day-to-day operational activity remains reactive and in response to legislated and policy changes that routinely emerge. However, the following measurement may be an indication of performance for each year.

KPI	MEASURED BY	TARGET SCORE
Member General Satisfaction	Number of formal complaints	One complaint from members
Member attendance at meetings, workshops, training	Number of members who are represented	All members Actual: Usually all 11 Councils represented.
Competitive funding secured	Dollars secured	Equal to membership (\$193K) Actual External Funding: (\$209k) Target met.
Achieved annual work plan		All items either achieved or timeframes for completion, and process, in place. Some subject to external funding. Actual: On target
EPLGA is represented at LGA regions meetings	Number of meetings attended	100% Actual: 100%
Co-ordinate regional training activities on EP	Number of days training sessions per year	At least 6 Actual: Training formats have moved online to webinars regarding COVID-19, Planning, and Local Government Reform, Community Engagement and Managing Change.
Annual review of Executive Officer	Final achievement score	Probation report for new EO due October 2020



Greater media activity	Number of interviews and media releases	At least 1 interview per month. Media releases at least every 2 months.  Actual: Met target
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### EPLGA COMMITTEE REPORTS

All Committee minutes are on the EPLGA website for viewing via the following link: - <http://eplga.com.au/>

### USE OF FINANCIAL RESOURCES

The following audited statement indicates another year of solid financial performance.

31<sup>st</sup> August, 2020

Mr Peter Scott,  
Eyre Peninsula Local Government Association  
89 Liverpool Street  
**PORT LINCOLN SA 5606**

Dear Peter,

**RE: AUDIT OF EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

We advise that we have now completed our Audit of the Eyre Peninsula Local Government Association for the year ended 30<sup>th</sup> June 2020 and enclose a copy of our Audit Opinion for your records.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and therefore may not detect all points of weaknesses in systems and procedures which may exist.

Having completed the Audit we now make the following comments:

***Internal Controls***

It is our opinion that the Eyre Peninsula Local Government Association has adequate internal controls. During the conduct of our audit we did not make any observations which would contradict this opinion.

***Taxation & Superannuation Liabilities***

During the conduct of our audit we observed that GST, PAYG Withholding and Superannuation are being paid in a timely manner and in accordance with legislative guidelines.

Yours faithfully,

  
Greg Nicholls B. Com, CPA, CTA  
**GILL PENFOLD KELLY PTY LTD**

*Liability limited by a scheme approved under Professional Standards Legislation*



Tony Gray  
Scheme Manager  
Local Government Association Workers Compensation Scheme  
GPO Box 1693  
ADELAIDE SA 5001

Dear Tony,

**Report of the Auditor of** \_\_\_\_\_ Eyre Peninsula Local Government Association \_\_\_\_\_  
(name of Council/organisation)

As required by the Board of the Local Government Association Workers Compensation Scheme, I confirm that I have audited the Actual Remuneration Declaration for the period **1st July 2019 - 30th June 2020** as provided by the abovenamed employer.

<b>A</b>	For the year 1/7/19 – 30/6/20, the Audited Actual Remuneration (excluding the amount declared in "B" below) is:	\$182,113
<b>B</b>	Only where applicable - Eligible Apprentice Remuneration - this amount is defined as an apprentice who is or will be trained under an approved training contract in an occupation declared to be a "trade" under <b>Section 6</b> of the <b>Training and Skills Development Act 2008</b>	\$ -
<b>C</b>	<b>Remuneration Total (A + B)</b>	<b>\$182,113</b>

I wish to certify that, in my opinion the Remuneration Total is correct in line with the definition of Remuneration which is set out on the Actual Wages Declaration form, a copy of which is attached.

Yours sincerely,

**Signature of the Auditor:** \_\_\_\_\_

**Date:** \_\_\_\_\_ 31/08/2020

**Name of Firm:** \_\_\_\_\_ Gill Penfold Kelly

**IMPORTANT:** Please return to the LGA Workers Compensation Scheme via  
[LGRSAdmin@lga.com.au](mailto:LGRSAdmin@lga.com.au) by **Friday 9th October 2020**.

**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 2020**

CONTENTS

Statement of Income & Expenditure

Balance Sheet

Notes to the Accounts

Board Certificate

Audit Report



# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2020

		2020	2019
	NOTE	\$	\$
<b><u>INCOME</u></b>			
Grants Received	2	209,399	225,413
Interest Received		7,149	8,322
Project Income - EP Councils	3	800	5,680
Membership Fees	4	199,187	193,293
Reimbursable Expenses		23,485	307
<b><u>TOTAL INCOME</u></b>		<b>440,020</b>	<b>433,015</b>
<b><u>EXPENDITURE</u></b>			
Administration		9,500	9,456
Audit Fees		1,640	1,580
Bank Charges & Taxes		74	76
Computer Expenses		2,114	1,279
Employee Expenses		144,839	139,563
Insurance		6,000	5,842
Legal Costs		-	2,290
Meeting Expenses		5,571	4,402
President's Expenses		2,250	2,250
Project Expenditure	5	210,258	180,593
Secretarial Services		19,000	18,911
Telephone		856	1,722
Travel & Accommodation		5,459	9,640
<b><u>TOTAL EXPENDITURE</u></b>		<b>407,561</b>	<b>377,604</b>
<b><u>NET SURPLUS/(DEFICIT)</u></b>		<b>32,459</b>	<b>55,411</b>
<b><u>NON-OPERATING INCOME AND EXPENSES</u></b>			
<u>Non Operating Income</u>			
ATO COVID-19 Cash Flow Bonus		18,552	-
<b><u>NET SURPLUS/(DEFICIT)</u></b>		<b>\$ 51,011</b>	<b>\$ 55,411</b>

*The accompanying notes form part of these financial statements.*

# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2020

	2020	2019
	NOTE	
	\$	\$
Net Surplus/(Deficit)	51,011	55,411
Extraordinary Items	-	-
<b><u>TOTAL NET SURPLUS/(DEFICIT)</u></b>	<b>51,011</b>	<b>55,411</b>
Surplus Funds at July 1	<u>295,938</u>	<u>240,526</u>
SURPLUS/(DEFICIT)	<u>346,949</u>	<u>295,937</u>
<b><u>ACCUMULATED SURPLUS/(DEFICIT)</u></b> <b><u>AT 30TH JUNE, 2020</u></b>	<b>\$ <u>346,949</u></b>	<b>\$ <u>295,937</u></b>

*The accompanying notes form part of these financial statements.*

# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

		2020	2019
	NOTE	\$	\$
<b><u>EQUITY</u></b>			
Accumulated Surplus		\$ 346,949	\$ 295,937
REPRESENTED BY			
<b><u>CURRENT ASSETS</u></b>			
Cash at Bank	6	594,705	513,446
Debtors		13,783	-
ATO BAS Account		6,806	-
Income Accrued		1,504	1,474
GST Receivable		5,151	826
Prepayments		1,915	455
<b><u>TOTAL ASSETS</u></b>		<b>623,864</b>	<b>516,201</b>
<b><u>CURRENT LIABILITIES</u></b>			
Sundry Creditors	7	986	3,828
Creditors		2,039	2,196
Unspent Project Funds	8	269,900	171,619
Provision for Holiday Pay		3,990	16,883
Prov'n for Long Service Leave	9	-	25,738
		276,915	220,264
<b><u>NET ASSETS</u></b>		<b>\$ 346,949</b>	<b>\$ 295,937</b>

*The accompanying notes form part of these financial statements.*

# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. This financial report is a special purpose financial report prepared for use by Board and members of the association. The Board has determined that the association is not a reporting entity.
2. The financial report has been prepared on historical cost basis and does not take into account changing money values or except where stated current valuations of non-current assets. The statements are prepared on an accruals basis.
3. Provision is made in respect of the association's liability for annual and long service leave at balance date. Long service leave is accrued from an employee's start date. Leave provision is based on current wages as at reporting date, and does not include on-costs.

	2020	2019
	\$	\$

### NOTE 2 - Grants Received

LGA of SA - Outreach Service	-	25,000
LGA of SA - Regional Capacity	209,399	200,413
	<u>209,399</u>	<u>200,413</u>
	\$ 209,399	\$ 225,413

### NOTE 3 - Project Income - EP Councils

Emergency Management Planning	-	5,680
EP Community Solar Scheme	800	-
	<u>800</u>	<u>-</u>
	\$ 800	\$ 5,680

### NOTE 4 - Membership Fees

District Council of Ceduna	16,733	16,308
District Council of Cleve	14,262	13,738
District Council of Elliston	13,276	12,788
District Council of Franklin Harbour	12,922	12,409
District Council of Kimba	13,011	12,575
Wudinna District Council	13,264	12,764
District Council of Lower Eyre Peninsula	19,474	18,469
District Council of Streaky Bay	15,111	14,666
District Council of Tumby Bay	15,781	15,207
City of Whyalla	36,524	36,063

# EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

	2020	2019
	\$	\$
City of Port Lincoln	28,829	28,306
	<u>\$ 199,187</u>	<u>\$ 193,293</u>

### **NOTE 5 - Project Expenditure**

Unspent Funds at 1 July	(171,619)	(10,801)
Coastal	2,000	-
Regional Committees Support	7,534	8,247
Forums & Conferences	600	-
Governance & Planning Reform	1,000	-
Emergency Management Planning	-	3,781
Mining Taskforce	-	495
CORES EP	-	2,276
Regional Governance-JPB Pilot	24,930	1,779
Regional Planning - General	11,168	-
Regional Transport Strategy	44,640	28
Tourism/Signage/Promotions	20,105	-
Unspent Funds at 30 June	269,900	171,619
	<u>\$ 210,258</u>	<u>\$ 180,593</u>

### **NOTE 6 - Cash at Bank**

BankSA Society Cheque Account	50,638	16,460
Bendigo Bank Term Deposit	165,085	162,198
LGFA	378,982	334,788
	<u>\$ 594,705</u>	<u>\$ 513,446</u>

### **NOTE 7 - Sundry Creditors**

PAYG Withheld	-	2,604
Superannuation	986	1,224
	<u>\$ 986</u>	<u>\$ 3,828</u>

### **NOTE 8 - Unspent Project Funds**

Regional Capacity Building	\$ 269,900	\$ 171,619
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### **NOTE 9 - Prov'n for Long Service Leave**

District Council of Tumby Bay	-	6,562
Eyre Peninsula Local Govt. Association	-	19,176
	<u>\$ -</u>	<u>\$ 25,738</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

BOARD CERTIFICATE

The Board have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board of the association declares that:

- 1 the financial statements and notes present fairly the association's financial position as at 30th June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board:

signed

.....  


.....  


position

.....  
PRESIDENT

.....  
Executive Officer.

Dated this .....<sup>4<sup>th</sup></sup> day of .....<sup>Sept</sup> 20<sup>20</sup>.....

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

4 Tasman Terrace, PO Box 2180  
Port Lincoln, SA 5606  
Telephone: (08) 8682 1899  
Facsimile: (08) 8682 1408  
Email: gpk@gpk.com.au  
ABN 64 945 523 972  
ACN 007 909 382

To the members of Eyre Peninsula Local Government Association,

*Report on the financial report*

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30<sup>th</sup> June 2020.

*The responsibility of the members of the Board for the financial report*

The members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Local Government Act 1999 and are appropriate to meet the needs of the members. The Board's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting responsibilities under the Local Government Act 1999. We

disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Auditor's opinion*

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30<sup>th</sup> June 2020.

**Gill Penfold Kelly Pty Ltd**



Gregory S Nicholls  
31<sup>st</sup> August 2020  
4 Tasman Terrace, Port Lincoln SA 5606