



ANNUAL REPORT

2020/2021



District Council of Franklin Harbour

Adopted: 10th November 2021
Res: 112/11/21

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

MAYOR'S REPORT



Robert Walsh
MAYOR

What a delight it is to see the country looking fresh and green. The drive to Port Gibbon, on our nearly completed sealed road, has some of the greenest and healthiest crops in the district. Sheep and Cattle prices are currently at record prices.

Cowell has been fortunate with the recovery of the Oyster Industry that was devastated by the POMS disease only a few years ago. The work force was reduced during the POMS outbreak and finding replacement staff during our good times is difficult. If you want to live in Rural SA and want a job it is the ideal location to do just that.

Repairs on our Cowell Kimba Road have started and sharing the cost involved in widening this road for the increased heavy vehicle traffic are looking positive.

The long awaited return of the ferry service between Wallaroo and Lucky Bay is great to see again. The shacks at Lucky Bay have finally been given secure tenure for a further 30 years after many years of negotiations - since 2007.

The Foreshore upgrade is getting closer to completion, including our second street extension. This is a huge achievement for such a small council. This work will continue over the next 12 months and we all look forward to seeing the extraordinary result at the end.

Finally I cannot thank our staff enough, the achievements in the finalisation of our Coolanie Water Scheme and now the near completion of our Foreshore could only happen because of our dedicated staff both in the office and out in the district.

Has our Council over worked our CEO Shane Gill? I actually asked Shane this question. Shane's response was "*a big part of my decision to take this particular CEO role was the challenges associated with a small regional council taking on such major projects. It was never going to be easy and a lot could go wrong, but the satisfaction of finding a way through and delivering what will be transformational outcomes is worth the effort every time!*".

This answer reminds me of a few years ago when one of our local farmers wheat crop was destroyed by hail. Even though the crops were well insured, when interviewed by our local radio on the benefit of being insured, his answer was "*it's still disappointing to not have the opportunity to reap our year's work*".

Having our Council staff and CEO see the completion of our Foreshore will be a very proud day for our district.

Thank You

Chief Executive Officer's Report

CHIEF EXECUTIVE OFFICERS REPORT



Shane Gill
Chief Executive Officer

THE YEAR THAT WAS

Over the past year the COVID-19 pandemic was once again the dominant theme in the media and very much on everyone's mind, as it continued its devastating rampage around the world. South Australia has fared very well in the battle to keep COVID out, and thankfully to date we have had no cases on the Eyre Peninsula. Our community has performed exceptionally well, adjusting to COVID restrictions and ongoing public safety measures and is to be congratulated on their determined "no-nonsense" approach to do the right thing and keep our community safe. As an essential service, it has been business as usual for Council with planning, budgeting and the delivery of services carrying on, with the added challenge of the Marina/Cowell Foreshore upgrade and other projects. The scale of these projects is extremely challenging for a small regional council, and even more so in the COVID environment where sourcing both contractors and materials has been increasingly difficult and increasingly expensive.

The new Focus on Councils website highlighted that some of the smallest regional councils in the state are remarkably efficient. It highlighted that the District Council of Franklin Harbour has the lowest rates in the dollar, and the second lowest overall rates in South Australia. Maintaining this competitive advantage and continuing to grow and improve our area is quite a challenge but can be done, and we are doing it.

MARINA/COWELL FORESHORE REDEVELOPMENT

This year has seen a remarkable transformation of our foreshore precinct that has been more than a decade in the making, and by the close of 2021 all of the major components of this project will be complete.

At the time of writing the key components of these projects are well underway.

- 1) Our new 34 berth marina is almost complete and due for completion in November 2021
- 2) The Marina Building is well advanced in construction, looking terrific, and on track for completion December 2021
- 3) The new road diverting oyster punt traffic away from play/recreational areas is complete and open
- 4) Construction of the Aquatic Playground/water slides is now well advanced and due for completion December 2021
- 5) Basketball court/Bouncy Pillow/activity zone area has base works prepared and is on target for completion December 2021
- 6) Large areas to be landscaped are now being filled in preparation for the installation of irrigation.

A focus of 2022 will be on the "greening" of our new foreshore precinct and this is when this project will really shine. Most plantings will not occur until autumn 2022 as the weather becomes milder.



ECO EYRE – PORT GIBBON

Another project over the past year has been the establishment of Eco Eyre (accommodation pods). We worked closely with Troppo Architects to design and build two “Eco pod” accommodation units overlooking the beach at Port Gibbon. Considerable effort was expended researching what type of accommodation was in demand and what was lacking on Eyre Peninsula. This project was motivated by a desire to “future proof” council with an innovative new revenue stream but equally it was about showing others that this can be done, and there is a market out there for it. The Cowell foreshore redevelopment will bring tourists to our area but to maximise the economic benefits we will need more and innovative accommodation offerings to encourage them to both stay, and to stay longer. Given the initial success of this project and the clear demand for our accommodation offering, it is likely that we will expand the Eco Eyre offering to include a larger family friendly Eco pod in 2022.



LUCKY BAY LEASE

After many years of negotiation, we now have a signed 30-year lease with the State Government for Lucky Bay which I think is a big relief to all involved. I would particularly like to thank Piers Brissenden and Barry Fryar from Crown Lands for their patience, persistence, and genuine efforts in making this lease a reality. This is an excellent example of a collaborative rather than combative approach delivering results.

IN CLOSING

I would like to thank the Council staff for their hard work and dedication during these challenging times, and the elected member group for their continuing support, their cohesive and progressive approach, and dedication to their community.

Work Manager's Report

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 2020/21.

In addition to roads Council also, maintains parks and reserves in the district, operates 2 Community Wastewater Systems, a Waste Depot, 3 potable water supply schemes and an Aerodrome.

WORKS PROJECTS COMPLETED FOR THE 2020/21 YEAR

Beach Road

Works have continued on Beach Road with a 5.5km section extending from Starr Rd to a point 1.1km past the Knob being sealed with a 2 coat seal which leaves 3.3km to complete the road into Pt Gibbon.

Council has again applied for funding from the Special Local Roads Program to complete the project in 2022.

Town Sealed Roads

Town reseals carried out this year were High St (from Main St to Osborne) and West Tce (from Main St to First St).

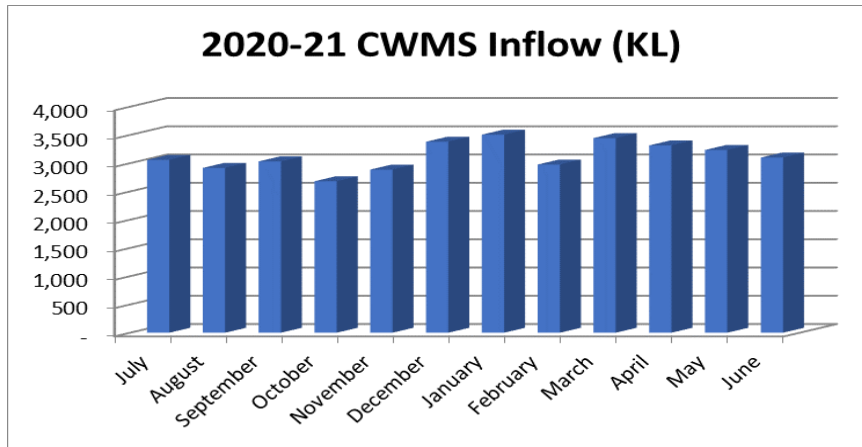
Plant Replacements

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 placed orders for a replacement Hyster Forklift and a LuiGong Grader to replace the Cat 12M, due to the disruptions to equipment supply associated with COVID-19, these items are not scheduled for delivery until August 2021.

Cowell CWMS

Local plumbers are continuing to connect properties in Cowell to the CWMS. At the end of this financial year approximately 81% were completed; a total of 37.58ML of wastewater was collected and treated to meet the required standards, 26.6ML was recycled for irrigation use on the Town Oval replacing the potable supply.

Inflow statistics are represented by month below.



Foreshore Development

Council crews have been involved in:

- Sub-grade construction work on the Second Street Extension linking Second St to the Boat Ramp and
- Construction of the base for the Water Park.
- Construction (civil) of a High Voltage power upgrade for the Marina and Commercial Building.
- Council staff will also be involved in landscaping and establishing the surrounding areas to finish off the project.

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.

Tourism Report

TOURISM OFFICER REPORT



Stacey Franklin
Tourism Officer

The tourism industry has continued to be a rollercoaster ride during 2020/21 due to COVID. When cases and restrictions across the country are minimal, our camping numbers continue to increase from previous years, however when COVID cases are prevalent, especially in South Australia, we see small numbers of campers in our area. Hopefully we see an end to COVID restrictions soon and the ability to travel within the country returns to pre 2020!

The Foreshore redevelopment and marina continue to be a focus as the end date for funding nears. There is much hype within the community to see the end result of this substantial project.

Grant funding for drought and stimulus due to COVID has seen Council's eligible for non-competitive programs. This has enabled our community to undertake projects that would normally require a competitive grant program application. Community groups such as the netball, lions, football and cricket clubs, RSL and Lucky Bay Shackowners Association have been the recipients of funding. We have seen new club rooms, shades/shelters, playgrounds and general upgrades to infrastructure.

The ferry commenced its operations again which is fantastic for both visitors and community members, although it is now undergoing maintenance - we are looking forward to its return.

The Eco Eyre Pods was no doubt the most exciting project completed this year. It is a credit to all Council staff who worked on the finalisation of the pods to have them completed ready to rent out in such tight time frames. We started hiring these out in June and have had an exceptional booking response since then and the feedback from guests has been remarkable. We were also successful in obtaining a wifi node, which is located near the playground at Port Gibbon. The node also services the eco pods and is a great addition to the offerings at Port Gibbon.

The foreshore redevelopment, along with the return of the ferry, will see an increase in appeal to our community, to both live in and visit. It will include tourism appeal to the family demographic which is our target market to increase visitor numbers.

Manager of Corporate Services Report

MANAGER OF CORPORATE SERVICES REPORT



Bernadette Clelland
Manager of Corporate Services

ADMINISTRATION

It has been another hectic year for the administration team during 2020/2021. Development of the new marina and Foreshore area went into full swing which has meant an increase in workload for the office staff.

Employee Training

COVID-19 has continued to have an affect on organising training that was due to be undertaken. Although some training has had to be postponed, employee training that has been undertaken includes the following: Introduction to Development Application Processing for Frontline Staff, Incident Investigation, RTW Training for Managers & Supervisors, Fire Prevention Officer Training, Advance Spreadsheet Applications for Business Owners/Managers, Fraud & Cyber Awareness Training, First Aid Training, Fire Extinguisher Training, Emergency Warden Training, Load and Unload Plant, Test and Tag Training, Asset Management Foundations, Vibratory Roller Induction.

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
- Flu Vaccinations which are offered annually
- hearing tests through Minus 3dB

Human Resources

There were no industrial issues that affected the workplace in 2020/2021. Our school-based Administration Trainee, Declan Crabb, completed his traineeship and left Council's employ. We wish Declan well with his future. A number of casual employees were hired to assist with preparation of areas for the Foreshore Redevelopment 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 2020/2021 Financial Year, no applications for rebates of rates under Section 166(1) (h) of the Local Government Act 1999 were received.

2020/2021 Budget and Rates

The Council meeting held on 29th July 2020 adopted the 2020/2021 Budget and declared the rates for the new financial year.

The Budget included total Operating Revenue of \$4,198,000. Major capital expenditure items were Local Road and Footpath Construction of \$1,466,000, Foreshore Redevelopment of \$4,744,000 and vehicle/plant replacement of \$579,000. Total rate revenue to be raised was budgeted at \$1,675,000.

DEVELOPMENT STATISTICS

During the 2020/2021 financial year there were 33 Development Applications lodged.

These included:

4 Dwellings and Relocatable Houses

7 Domestic Extensions/Renovations/carports

9 Sheds

13 other Applications (pool, campground & toilet, eco pods, shade sail, temp. workers accommodation)

Total Developments: \$2,860,191

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. Sharran Franklin	Cowell	0427 296 001
	Cr. Geoff Giles	Cowell	0428 855 909
	Cr. Terry Rehn	Cowell	0428 292 239

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
	\$500.00 per meeting

Council's Auditor, Ian McDonald FCA has been appointed for a period of five years, this term expires at the end of the 2025/2026 financial period.

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 Private Vehicle Use
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 1999:-

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.

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
Funding Policy
Hardship Policy for Residential Customers and Minor and Intermediate Water Retailers
Internal Control Policy and Procedure
Prudential Management Policy
Purchasing/Tendering/Contracting Policy
Rating Policy
Travel & Accommodation 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 Policy
Smoke Free Workplace Policy

These policies are reviewed regularly.

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 2021.

Committee Membership and Meetings Attended

The Audit Committee met on four (4) occasions.

Member	Meetings Attended
R.J. Walsh (Chair)	4
D. M. Wagner	3
M. Pomeroy (Independent Member)	4

Activities

The table that follows represents the completed work program for the meetings held in the year ending 30 June 2021.

Activity	Meeting Date
Reviewed and discussed 2019-20 Draft Annual Financial Statements	Nov 20
Reviewed and discussed the Auditors Balance Date Management letter for the 2019-20 Audit as well as managements responses to the matters raised	Nov 20
Developed a report on the Audit Committees achievements for 2019-20 to be included in the 2019-20 Annual Report of Council.	Nov 20
Management presented and discussed a report that compared financial information from the budget with the final audited 2019-20 Annual Financial Statements	Dec 20
Reviewed and provided advice to Council on budget amendments in Budget Review #1	Dec 20
Reviewed and discussed the Long-Term Financial Plan & Asset Management Plan – Project Plan compiled by management	Dec 20
Reviewed and discussed the Strategic Management Plan – Project Plan compiled by management	Dec 20
Reviewed and provided advice to Council on budget amendments in Budget Review #2	Mar 21
Management presented information on what the purpose is of each report in the Strategic Financial Reporting cycle, where it is legislatively mandated and which meetings they can expect to see the relevant report at.	Mar 21
Management presented and discussed a Schedule of Financial Policies to be reviewed or developed.	Mar 21
Reviewed a comprehensively updated policy in relation to the management of Councils internal control environment and recommended to Council for adoption	Mar 21

Reviewed and provided advice to Council in relation to Councils 2021-22 Draft Annual Business Plan & Budget	Mar 21
Reviewed and discussed the updated Long-Term Financial Plan and Asset Management Plan 2021 – 30 Project Plan	Mar 21
Reviewed and provided advice to Council on budget amendments in Budget Review #3	May 21
Reviewed and discussed the Auditors’ Interim Audit Report 2021	May 21
Reviewed and discussed the Audit Committee Terms of Reference and recommended them to Council for adoption	May 21
Reviewed the Prudential Management Policy, Rating Policy, Funding Policy, Grants Policy and Travel & Accommodation Policy and recommended them to Council for adoption.	May 21
Reviewed the attached Long Term Financial Plan 2021 -30 and recommended it to Council for adoption.	May 21
Reviewed the Asset Management Plan 2021 -30 and recommended it to Council for adoption.	May 21

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 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"> • Provision of medical services ie Doctors - Ongoing – Whyalla Doctors have taken over the surgery practice 2 days per week. • Further work being undertaken to arrange for a full time doctor service to be available to Cowell
1.01.03 Maintain a strong relationship with Eastern Eyre Health & Aged Care Inc and Country Health SA	<ul style="list-style-type: none"> • Liaise with Health Services regarding community needs - Councils Chief Executive Officer and Cr Deer are on the NEPHA Board - ongoing
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"> • Continue with the Foreshore Redevelopment as Council’s number one priority, to enhance the towns attractiveness and liveability - commenced
2.01.03 Establish shelter and camp facilities in strategic locations along the coast	<ul style="list-style-type: none"> • Develop camping areas in and around Port Gibbon – commenced • Designed and constructed two Eco Pods at Port Gibbon
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"> • Construct playground at Lucky Bay - complete
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 Plans	<ul style="list-style-type: none"> • Review Council’s Strategic Management Plans – ongoing – Council’s Asset Management Plan and Long Term Financial Plan have been updated.

Goal for 2021/2022

Objectives	Goals for 2021/2022	
Goal 1 - Maximise the benefit to the community from improved community services		
1.01.03	Maintain a strong relationship with Eastern Eyre Health & Aged Care Inc and Country Health SA	<ul style="list-style-type: none">• Continue to liaise with Health Services regarding community needs
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">• Complete the Foreshore Redevelopment as Council's number one priority, to enhance the towns attractiveness and liveability
2.01.03	Establish shelter and camp facilities in strategic locations along the coast	<ul style="list-style-type: none">• Develop camping areas in and around Point Gibbon
2.03	Support the Growth of the Aquaculture Industry	<ul style="list-style-type: none">• Deepen/widen the channel to accommodate growth in numbers and size of vessels using boat ramp facilities
Goal 3 – Maintain our high quality living environment		
3.08.01	Increase the number and standard of parks and gardens in our area	<ul style="list-style-type: none">• Infill area encompassed by the new road (Foreshore area) as wetland/park area
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 Plans	<ul style="list-style-type: none">• Review Council's Strategic Management Plans

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 2020/2021 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 four(4) times by Council during the 2020/2021 financial year.

ELECTOR REPRESENTATION

Council's representation quota (electors per member) is 149. The average representation quota for councils of a similar size and type is 141.

Council is currently undertaking a complete review of Elector Representation and composition pursuant to Section 12(4) of the Local Government Act 1999 and expect it to be completed by October 2021. Council is required to conduct such a review at least once every eight years. The next representation review will be due in the 2028/2029 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 2020/2021 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 developed in 2016 and updated in 2020.

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

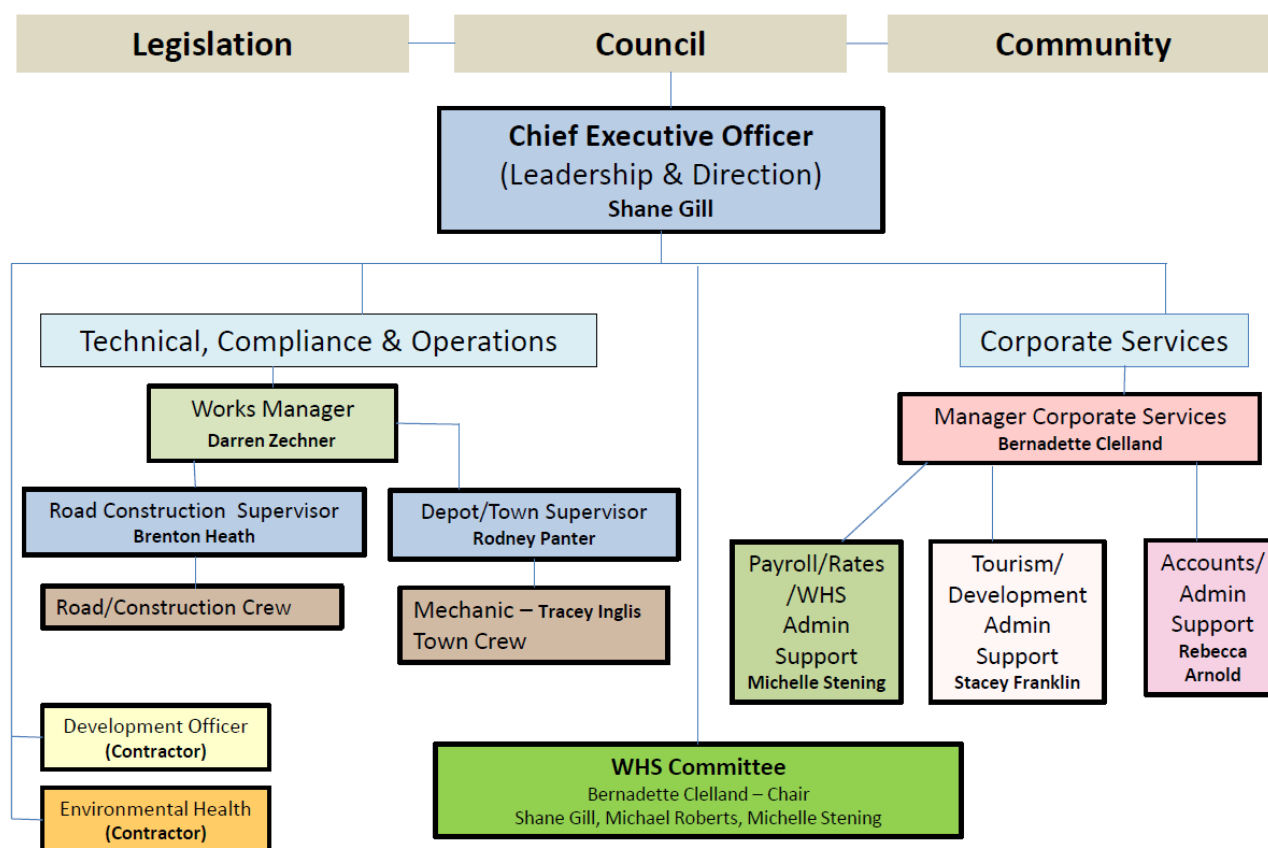
These documents are available for public inspection at the Council office between 9am and 5pm Monday to Friday. Members of the public may also purchase copies of these documents at the prescribed fee, from the Chief Executive Officer.

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

ANNUAL INFORMATION STATEMENT

District Council of Franklin Harbour Organisational Structure



Z/Admin/Office & Staff/ Org Structure January 2021

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 three (3), 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
---	--

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 can be 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 D
Bailey & Mr K Martens
Cr S Franklin, Cr G Giles, Mr R Udy, Mr R Wiseman &
vacant position

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 Agendas - these summarise the business to be dealt with at each ordinary Council meeting.
2. Ordinary Council 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. Annual Business Plan and Budget - 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 State Records protocols.

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 in 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.

2020/2021

Annual Business Plan



District Council of Franklin Harbour

ANNUAL BUSINESS PLAN AND BUDGET

2020-21

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1. Introduction

This draft Annual Business Plan (the Plan) outlines the District Council of Franklin Harbours' (Council) planned services, projects and major expenditures for the 2020-21 financial year. After taking into account feedback from the community, Council will finalise the Plan and prepare a detailed budget for the corresponding period.

The Plan aims to maintain efficient and desired services and facilities for the community, without imposing an unrealistic rate burden on ratepayers. The provision of services by Council is a reflection of both meeting Council's obligations under legislation and making policy choices on behalf of the community to achieve Council's longer-term goals. Council also has taken account of the current economic and seasonal conditions.

2. District 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.

3. Strategic Direction

Council will shortly commence updating its suite of strategic management plans. Among other things, the strategic management plan considered regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. This plan identifies the strategic objectives and principal activities that have informed the goals, objectives, activities and services included in this Annual Business Plan.

Councils existing plan adopted the following vision and mission statements, believing it reflects Council's aspirations for the community.

VISION

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

MISSION

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

- **A high standard of essential services in a sustainable manner**
- **Representation of our needs to the wider population**
- **Stimulus for economic growth**
- **Sound management of our valuable natural environment**

STRATEGIC OBJECTIVES

Councils' Strategic Management Plan is based on four 'pillars' or Strategic Focus Areas.

1. **Community wellbeing - maximise the benefit to the community from improved community services**
2. **Economic wellbeing - to foster a diverse and growing economic base that results in an increase in employment and population**
3. **Natural & built environment - maintain our high quality living environment**
4. **Governance & organisation - a professional, effective and customer oriented organisation playing the lead role in community development**

4. Significant Influences and Priorities

The 2020-21 financial year will be another busy period for Council on the back of a busy 12 months, during which a number of projects were delivered for the community. A comprehensive list of Council's achievements for the 2019-20 financial year can be found in Section 9.

A number of other significant factors have influenced the preparation of the Council's 2020-21 Annual Business Plan.

These include:

- The global Covid 19 pandemic
- Council's current financial position and Long Term Financial Management Strategy
- Consumer Price Index/Local Government Price Index increases on existing goods and services of 1.8% for the year (December quarter 2019)
- Requirements to maintain and improve infrastructure assets to sustainable standards
- Service delivery needs for the community
- State/Commonwealth grant funding not keeping pace with the increased costs
- Facilitating the future financial sustainability of Council by ensuring the financial operations remain within policy targets adopted for such purpose
- Provision of sufficiently qualified experienced and trained staff
- The need to establish sound Strategic Plans and policies to achieve long term sustainability

5. Continuing Services

All councils have basic responsibilities under the Local Government Act 1999 and other relevant legislation.

These include:

- Regulatory activities, e.g. maintaining the voters roll and supporting the elected council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space, community wastewater
- Street lighting and storm-water drainage
- Street cleaning, rubbish collection, recycling and waste management
- Development planning and control, including building safety assessment
- Various environmental health services.

In response to community needs the Council also provides and or supports further services and programs including:

- Libraries
- Community venues such as public halls and sporting grounds
- Economic development
- Tourist and historical venues, museum and sites
- Parks and gardens.

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the district.

Fee for services include:

- Camping grounds
- Private infrastructure works
- Minor tree removal
- Water supply

6. Capital Expenditure – Work Program 2020-21

Item	Budget 2020-21 \$,000	Comment
Renewal / Replacement		
Resheeting	404	per road renewals plan
Resealing	151	per road renewals plan
Plant & Equipment	579	per plant replacement program
Total Replacement Assets	1,134	
New / Upgraded		
Beach Rd Sealing	911	SLRP funded project
Cowell Netball Club	250	DCP funded Project
Lucky Bay Playground	35	DCP funded Project
Town Oval Shade	35	DCP funded Project
Port Gibbon Campground Improvements	220	DCP funded Project
Foreshore Redevelopment	2,703	Two Year Project
SABFAC - Marina	2,041	Two Year Project
Total New / Upgraded	6,195	
Total Capital Expenditure	7,329	

Special Capital Projects

Marina & Foreshore Projects

Council and its community consulted extensively over many years and with the assistance of a range of professional consultants to produce the Cowell Foreshore Masterplan. Development of the Cowell foreshore will provide an ideal transit stop for travellers but more importantly, a holiday destination with an appropriate range of high quality attractions to lure the tourists.

The Project specifically addresses liveability issues including ways to increase level of community use and participation in activities and events on the foreshore through improved safety for families and children and the provision of appropriate facilities.

This development will improve the liveability of the town, reinforcing Franklin Harbour as both a tourist and a retirement destination. In a similar way as the desirability of living in Cowell is recognised, professionals such as doctors and other allied medical services will follow. For families with children this will be a safe haven for children to play, to enjoy the water park, ride a bike, use the skate park, go fishing, while their parents are nearby.

The bulk earthworks & excavation for the marina component involves excavating the mooring basin. Excavated materials will be used together with imported materials to bulk fill areas of the Cowell foreshore for further open space, facilities and beautification.

Marina Construction will include the installation of pylons, floating walkways, pontoons, pontoon ends and services including water and electricity reticulation and metering.

Beach Road

This road is a popular tourist route and a vital link between Cowell and the developing township of Port Gibbon. At least half the length of the road circumnavigates the lower reaches of Franklin Harbour which is home to pristine saltmarsh and mangrove habitats that feed many species of breeding fish and a significant portion of SA's prized Oyster Industry. The road also provides access to the Franklin Harbour Conservation Park and camping areas.

Upgrading the road to a sealed surface and addressing sub-standard geometry will minimise the environmental impact of dust and excessive silt runoff from the current road into extremely sensitive receiving environments and will substantially improve the safety of the road.

Whole of life of Special Capital Project Expenditure

Grant Income	Forecast 2019-20 \$,000	Budget 2020-21 \$,000	Budget 2021-22 \$,000
PIRSA - Water Supply	1,215	-	-
Marina	-	1,500	-
Foreshore Projects	-	2,353	1,225
SLRP - Beach Rd	1,000	607	358
Total Special Capital Project Grants	2,215	4,460	1,583
Capital Expenditure			
PIRSA - Water Supply	1,568	-	-
Marina	1,200	2,041	-
Foreshore Projects	44	2,703	1,710
SLRP - Year 2 & 3 Beach Rd	1,000	911	537
Total Special Capital Project Expenditure	3,812	5,655	2,247
Council Contribution - per annum	1,597	1,195	664

7. Financial Sustainability/Financial Performance Measures

All Councils pursuant to the Local Government Act 1999 are required to develop and maintain Long Term Financial Management Plans and Asset Management Plans to ensure sound strategic planning principles to assist with decision making are in place.

Council is committed to ensuring its long term financial sustainability. Council's financial sustainability is dependent on ensuring that, on average over time, its expenses are at least matched by its revenue. In addition, capital expenditure on existing infrastructure and other assets should be optimised in accordance with the Infrastructure and Asset Management Plan so as to minimise whole-of-life-cycle costs of assets.

7.1 Operating Surplus Ratio (OSR)

"Is Council covering its operating expenditure and depreciation charge from its operating revenue?"

The operating surplus ratio expresses the operating surplus / (deficit) as a percentage of total operating revenue. A result of greater than 0% would indicate that Council is covering its operating expenditure and depreciation charge from its operating revenue.

The operating surplus ratio from the proposed budgeted activity for the year is a surplus of 4%. This result arises because operating income is budgeted to be \$175k more than Council's operating expenses for the year.

7.2 Asset Sustainability Ratio (ASR)

"Is Council replacing its assets at the same rate the assets are wearing out?"

The Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out.

The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to Council's Asset Management Plan.

A result in the range of 90% to 110% would indicate that Council is replacing its assets in a timely manner. The forecast asset sustainability ratio for the 2020-21 is 100% which indicates that sufficient funds have been allocated to replace assets in the 2020-21 financial year.

7.3 Net Financial Liabilities (NFL) and Net Financial Liabilities Ratio

"Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?"

Net financial liabilities is a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, net financial liabilities equals total liabilities less financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The following table sets the budget estimates as at 30 June 2021:

Calculation of Net Financial Liabilities Ratio	\$,000
Trade & Other Payables	142
Borrowings	5,501
Provisions	2,766
Total Liabilities	8,409
Less Financial Assets:	
Cash & Cash Equivalents	286
Trade & Other Receivables	371
Total Financial Assets	657
Equals: Net financial liabilities (NFL)	7,752
Operating Income (Opinc)	4,198
Net Financial Liabilities Ratio (NFL divide Opinc)	185%

7.4 Overall Assessment of Council's Financial Sustainability (based on the above ratios)

The above ratios indicate that Council is covering its operating (i.e. Non-capital) costs from the operating revenue that is available for the twelve months that this plan relates to. Readers should be aware however that without an appropriate financial strategy future years will see Council move into a deficit position due to increased depreciation charges as well as increased interest expenses resulting from the delivery of the special projects listed in section 5 above. Such a strategy is currently being developed as part of Council's long term financial plan. It is expected that the LTFP will be put out for public consultation and feedback in the near future.

The result of 100% in the asset renewal funding ratio indicates that sufficient funds have been allocated in this plan to renew Council's existing assets as identified in Council's asset data base.

Net financial liabilities are forecast to be \$7.75M as at 30 June 2021. There are some significant identifiable components included in this forecast being CWMS borrowings of approximately \$3M as well as lease liabilities of \$2.3M in relation to the Cowell cottages. The CWMS loan has an income stream that steadily repays this over a number of years whilst the lease liabilities have identifiable assets that need to be considered. The adjusted Net financial liabilities of \$2.45M whilst high are still at a manageable level on the assumption that an appropriate financial strategy is developed to reduce this level of debt in a timely manner.

8. Non-Financial Performance Measures – 2020-21

In addition to the legislative performance measures, Council is required to develop non-financial performance measures.

The strategy reference refers to the strategic objectives identified in Council's Strategic Management Plan.

Community Wellbeing

- Continue to advocate for full-time provision of medical services to be provided in the Community (Strategy 1.01)
- Maintain a strong relationship with Eastern Eyre Health and Country Health (Strategy 1.01)

Economic Wellbeing

- Progress the Foreshore Development to enhance the town's attractiveness and liveability, attract new residents, and to provide a foundation for future business opportunities and investment in the local economy (Strategy 2.01)
- Provide appropriate infrastructure for economic development (Strategy 2.06)

Natural & built Environment

- Enhance the aesthetics of our townships environment (Strategy 3.05)
- Re-sheet sections of Cowell-Mangalo Road, Wilton Road and Schultz Road (Strategy 3.06)
- Seal a further 3.4km of Beach Road – SLRP grant funding (Strategy 3.06)
- Construct playground at Lucky Bay using Drought Community Program Funds (Strategy 3.08.01)

Governance & Organisation

- Ensure the ongoing review of Council's Strategic Plan (Strategy 4.01.02)
- Provide Monthly newsletter and maintain regular updates on website and Facebook (Strategy 4.02)

- Complete review of the proposed Foreshore redevelopment was conducted with a focus on “fit for purpose” and “affordability. This resulted in a rescoping of the project with a net savings to council of \$2.2 million.

The following drought community program projects will be delivered to the community by the 31 December 2020:

- Construction of changerooms/toilets/clubhouse for Cowell Netball Club
- Museum upgrade, painting and toilets upgrade for RSL clubroom
- Upgrade men’s public toilet on Main Street
- Upgrade infrastructure and displays for Franklin Harbour History Museum
- Lions Shed Fit out
- Cemetery beautification
- Upgrade to Lions Park – Bouncy Pillow, Shade, Landscaping
- Lucky Bay Playground
- Shade Structure – Town Oval
- Port Gibbon Caravan Park upgrade of infrastructure

9. 2019-20 Annual Business Plan Achievements

Community Wellbeing

- Continue to work in close collaboration with the School/Community Library to ensure the continued library service (Strategy 1.05.03)

Economic Wellbeing

- Upgrade of Foreshore (Strategy 2.01.01) - ongoing
- Construction of Marina (Strategy 2.07.02) - ongoing
- Re-sheeting and sealing of Beach Road (strategy 2.06.02) – seal a further 3kms of Beach Road - complete

Natural & Built up Environment

- Effectively manage the waste of the area (Strategy 3.01)
- re-sheeting of various sections of the local road network identified in Council’s ten (10) year Works Plan, including Scenic Road, Glynn Road and Schultz Road (Strategy 3.06) - complete
- Sealing upgrade on parts of Cowell-Kimba Road and various town roads including Harbour View Drive (Strategy 3.06) – complete
- Upgrading of various town footpaths and kerbing (Strategy 3.06) - ongoing

Governance & Organisation

- Construct a Workshop Pit (Strategy 4.04.02) – changed to purchasing a hoist - complete
- Purchase of excavator (Strategy 4.04.02) – ordered – complete

Economic Wellbeing

- Construction of Coolanie Water Line (Strategy 2.09.01) - complete

10. Grant Funding

Council will receive the following grant funding in 2020-21:

- Financial Assistance Grants, both General Purpose and Local Roads Grants (sourced from Federal Government)
 - Council has complete discretion as to expenditure of funds received.
- Specific Purpose Grants (State and Federal Governments)
 - Which are to be spent on specific projects or programs.
- Special Local Roads Program (Federal Government)
- Roads to Recovery Grants (Federal Government)
 - While funds received are to be spent on road projects, Council has complete discretion on whether funding is applied towards maintaining, renewing or upgrading roads
- Capital Grants are amounts received by Council specifically to be used for capital purposes

Operating Grants	Amount \$,000
Local Roads (Grants Commission)	240
General Purpose (Grants Commission)	1,031
Roads to Recovery	332
Drought Communities Program	185
Other	3
Total Operating Grant Funding	1,791
Capital Grants	
Local Road and Community Infrastructure Program	304
Drought Communities Program	815
Special Local Roads Program	607
Marina - SABFAC	1,500
Foreshore Projects	1,775
Total Capital Grant Funding	5,001

11. Funding the Business Plan

A surplus operating result of \$175k is being forecast for 2020-21. The operating result measures the difference between operating revenue and expenses for the period. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue, as outlined in the LTFP.

Council's revenue in 2020-21 includes \$1.675M proposed to be raised from general and other rates which has been increased by only the CPI (1.8%). There is little forecast growth expected for the region. Accordingly, no increases to rates revenue have been factored in for growth.

Other sources of proposed revenue for the Council are:

- User charges and commercial revenue
- Statutory charges set by State Government
- Grants
- Other revenue

12. Uniform Presentation of Finances

The Uniform Presentation of Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations. Definitions and examples of the key components of this report are included in the glossary at the end of this document.

The Uniform Presentation of Finances report highlights the operating surplus/ (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line, or rather the result of this report, is the movement in Net Financial Liabilities (Net Lending/Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending/(borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgraded assets).

UNIFORM PRESENTATION OF FINANCES	Forecast 2019-20 \$000	Budget 2020-21 \$000	Forecast 2021-22 \$000
Operating Revenue	4,020	4,198	4,031
less Operating Expense	(3,970)	(4,023)	3,967
Operating Surplus / (Deficit) before Capital Amounts	50	175	64
less Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	865	1,134	1,107
less Depreciation, Amortisation & Impairment	(982)	(982)	(1,137)
less Proceeds from Sale of Replaced Assets	0	(140)	0
Total Net Outlays on Existing Assets	(117)	12	(30)
less Net Outlays on New & Upgraded Assets			
Capital Expenditure on New & Upgraded Assets	3,812	6,195	2,247
less Amounts specifically for new or upgraded Assets	(2,215)	(5,001)	(1,583)
less Proceeds from Sale of Surplus Assets	(50)	0	0
Total Net Outlays on New & Upgraded Assets	1,547	1,194	664
Net Lending/ (Borrowing) for Financial year	(1,381)	(1,032)	(571)

The result of (\$1.032M) indicates that Council is spending more than it is receiving when considering Council budget in aggregate. Across the three year period being reported on Council will spend \$2.984M more than it will earn in revenue

A forecast for the year ending 30 June 2022 has also been included to demonstrate the full impact on Councils financial position of undertaking the special projects included in section 5 above. When referring back to the Council contribution calculation table on page 6 it can be seen that the annual shortfalls in revenue coincide with the Council contribution towards these projects. A majority of this contribution has been funded by debt, accordingly an appropriate financial strategy is being developed to repay this debt in a timely manner.

A full explanation of the components to the above Uniform Presentation of Finances is contained in Appendix A.

13. Rating Arrangements 2020-21

Method used to value land

The Council may adopt one of three 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 2020-21

In setting its rates for the 2020-21 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 2020-21 financial year and the long-term financial plans.
- Household, businesses and primary producers.
- The broad principle 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 29/06/2020. 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.

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 (e.g. 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.

Land Use / Zone	Approximate Number of Properties
Residential	634
Commercial – Shop	14
Commercial – Other	33
Industry – Light	13
Industry – Other	6
Commercial (Bulk Handling) Zone	4
Primary Production	271
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 charges

Community Waste Water Management Scheme

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of effluent waste disposal, on all land to which the Council provides or makes available the services as follows:

- CWMS Port Gibbon Maintenance Fee \$430.00
- CWMS Cowell Maintenance Fee \$150.00
- CWMS Cowell Capital Fee \$367.00

Port Gibbon Water Supply Charge

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of water supply, on all land to which the Council provides or makes available the Port Gibbon Water Supply as follows:

- Port Gibbon Water Supply \$270.00

Lucky Bay Water Supply Charge

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of water supply, on all land to which the Council provides or makes available the Lucky Bay Water Supply as follows:

- Lucky Bay Water Supply \$270.00

Kerbside Bin Collection

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of one (1) kerbside bin collection, on all land to which the Council provides or makes available the service as follows:

- Kerbside Bin Collection (140L Bin) \$260.00
- Kerbside Bin Collection (240L Bin) \$310.00

Additional Bin Collections

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of additional kerbside bin collections, on all those that utilize the service as follows:

- Additional Bin Collections \$200.00/bin

Recycle Bin Collection

Pursuant to Section 155 of the Local Government Act 1999, the Council proposes to adopt an annual service charge for the financial year ending 30 June 2021, in respect of the prescribed service of recycle bin collections, on all properties that utilize the service as follows:

- Recycle Bin Collection \$120.00

Rebates

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, i.e. 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 CPI only (approximately 1.8%).

Regional Landscape Levy

The Regional Landscape Levy is a State Government initiative under the Landscape South Australia Act 2019.

The Levy provides additional funding to help take care of natural resources such as water, soil, animal and plant control sustainably developing and protecting natural resources for the benefit of communities and future generations living in the Franklin Harbour region.

Council levies an amount against each rateable property to collect the amount determined by the State Government.

For 2020-21 Council's annual contribution to the Eyre Peninsula Landscape Board is \$89,477.

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 September 2020, December 2020, March 2021, and June 2021.

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.

APPENDIX A – EXPLANATION OF UNIFORM PRESENTATION OF FINANCES

(example only for explanation purposes – left blank intentionally)

UNIFORM PRESENTATION OF FINANCES	2017 Forecast \$'000	2018 Budget \$'000
Income		
less Expenses		
Operating Surplus/(Deficit)	-	-
Less: Net Outlays on Existing Assets		
Capital Expenditure on Renewal/Replacement of Existing Assets		
less Depreciation, Amortisation and Impairment Expenses		
less Proceeds from Sale of Replaced Assets		
Net Outlays on Existing Assets	-	-
Less: Net Outlays on New and Upgraded Assets		
Capital Expenditure on New/Upgraded Assets		
less Amounts received specifically for New/Upgraded Assets		
less Proceeds from Sale of Surplus Assets		
Net Outlays on New and Upgraded Assets	-	-
Net Lending/(Borrowing) for Financial Year	-	-

Explanation/Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New and Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

New/Upgraded vs Renewal/Replacement of Assets

The following definitions have been obtained from the South Australian Local Government Model Financial Statements (see <http://www.lga.sa.gov.au/site/page.cfm?u=769#e4291>).

A *new asset* is additional to Council's previous asset complement (e.g. roads constructed as part of a Council-owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets).

An *upgraded asset* replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a *combination of renewal as well as upgrade*. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards (e.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade).

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless essential. By building new assets Council is effectively building new liabilities as the assets usually don't generate revenue (e.g. roads), cannot be sold, and will need to be maintained and eventually replaced.

APPENDIX B - STATUTORY STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Forecast 2019-20 \$,000	Budget 2020-21 \$,000	Mvmt \$,000
INCOME			
Rates - General & Other	1,645	1,675	30
Statutory Charges	25	25	0
User Charges	563	598	35
Grants & Subsidies	1,664	1,791	126
Investment Income	30	15	(15)
Reimbursements	8	8	0
Other Revenues	85	86	2
Total Operating Income	4,020	4,198	178
EXPENDITURE			
Employee Costs	1,244	1,322	78
Materials, Contracts & Other Expenses	1,532	1,535	3
Depreciation	982	982	0
Finance Charges	212	184	(28)
Total Operating Expenditure	3,970	4,023	52
OPERATING SURPLUS/(DEFICIT)	50	175	126
Gain / Loss on Disposal of Assets	0	0	0
Capital Grants	1,000	607	(393)
Amounts Recieved Specifically for New Assets	1,215	4,394	3,179
NET SURPLUS / (DEFICIT) transferred to Equity Statement	2,264	5,176	2,912

STATEMENT OF FINANCIAL POSITION	Forecast 2019-20 \$,000	Budget 2020-21 \$,000	Mvmt \$,000
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	2,435	286	(2,149)
Trade & Other Receivables	371	371	0
Inventories	451	451	0
Total Current Assets	3,257	1,108	(2,149)
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	39,978	46,185	6,207
Total Non-Current Assets	39,978	46,185	6,207
TOTAL ASSETS	43,235	47,293	4,059
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	946	142	(804)
Borrowings	314	326	13
Short Term Provisions	533	533	0
Total Current Liabilities	1,792	1,001	(791)
NON-CURRENT LIABILITIES			
Long Term Borrowings	5,501	5,175	(326)
Long Term Provisions	2,233	2,233	0
Total Non-Current Liabilities	7,734	7,407	(326)
TOTAL LIABILITIES	9,526	8,409	(1,117)
NET ASSETS	33,709	38,884	5,176
EQUITY			
Accumulated Surplus	22,814	27,990	5,176
Asset Revaluation Reserve	10,895	10,895	0
TOTAL EQUITY	33,709	38,884	5,176

STATEMENT OF CASH FLOWS	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,791	3,379
Investment Receipts	30	15
Payments		
Operating Payments to Suppliers & Employees	2,554	2,844
Finance Payments	212	184
Net Cash provided by (or used in) Operating Activities	2,055	366
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Grants Specifically for new or upgraded assets	2,215	5,001
Sale of replaced Assets	0	140
Sale of surplus Assets	50	0
Payments		
Expenditure on renewal/replaced assets	865	1,134
Expenditure on new/upgraded assets	3,812	6,195
Net cash provided by (used in) Investing Activities	(2,412)	(2,188)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments		
Repayment of Borrowings	345	326
Net Cash Provided by (Used in) Financing Activities	(345)	(326)
Net Increase / (Decrease) in Cash	(702)	(2,149)
Cash and Cash Equivalents at start of reporting period	3,137	2,435
Cash & Cash Equivalents at the end of the reporting period	2,435	286

STATEMENT OF CHANGES IN EQUITY	Forecast 2019-20 \$,000	Budget 2020-21 \$,000
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	20,550	22,814
Net Result for Year	2,264	5,176
Transfer from Reserves	0	0
Transfer to Other Reserves	0	0
Balance at end of period	22,814	27,990
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	10,895	10,895
Revaluation of Property Plant & Equipment	0	0
Balance at end of period	10,895	10,895
OTHER RESERVES		
Balance at end of previous reporting period	0	0
Transfers from Accumulated Surplus	0	0
Transfers to Accumulated Surplus	0	0
Balance at end of period	0	0
TOTAL EQUITY AT END OF REPORTING PERIOD	33,709	38,884

2020/2021 Financial Statements



**DISTRICT COUNCIL
OF
FRANKLIN HARBOUR**

FINANCIAL STATEMENTS

**For The Year Ending
30 JUNE 2021**

**Adopted:
Resolution:**

District Council of Franklin Harbour
General Purpose Financial Reports
for the year ended 30 June 2021

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District Council of Franklin Harbour
Annual Financial Statements
for the year ended 30 June 2021

CERTIFICATION OF FINANCIAL STATEMENTS

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

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


.....
Shane Gill
CHIEF EXECUTIVE OFFICER


.....
Robert Walsh
MAYOR/COUNCILLOR

Date: 22/10/2021

District Council of Franklin Harbour
Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
INCOME			
Rates	2	1,754,303	1,684,461
Statutory charges	2	33,056	22,441
User charges	2	580,215	683,659
Grants, subsidies and contributions	2	1,844,641	1,791,115
Investment income	2	14,850	24,676
Reimbursements	2	20,227	5,501
Other income	2	310,489	164,671
Total Income		4,557,780	4,376,524
EXPENSES			
Employee costs	3	1,293,879	1,029,759
Materials, contracts & other expenses	3	1,456,838	1,538,263
Depreciation, amortisation & impairment	3	1,250,353	988,503
Finance costs	3	185,373	203,294
Total Expenses		4,186,443	3,759,819
OPERATING SURPLUS / (DEFICIT)		371,337	616,705
Asset disposal & fair value adjustments	4	(17,305)	(94,543)
Amounts received specifically for new or upgraded assets	2	3,211,311	2,214,617
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		3,565,343	2,736,779
Other Comprehensive Income			
Impairment (expense) / recoupments offset to asset revaluation reserve	8	(3,221,224)	-
Total Other Comprehensive Income		(3,221,224)	-
TOTAL COMPREHENSIVE INCOME		344,119	2,736,779

District Council of Franklin Harbour
Statement of Financial Position
as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,807,666	3,083,706
Trade & other receivables	5	303,010	376,171
Inventories	5	46,181	161,682
Total Current Assets		<u>2,156,857</u>	<u>3,621,559</u>
Non-current Assets			
Infrastructure, property, plant & equipment	6	41,284,519	40,100,492
Total Non-current Assets		<u>41,284,519</u>	<u>40,100,492</u>
Total Assets		<u>43,441,376</u>	<u>43,722,051</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	997,968	1,108,005
Borrowings	7	326,345	313,629
Provisions	7	663,823	603,722
Total Current Liabilities		<u>1,988,136</u>	<u>2,025,356</u>
Non-current Liabilities			
Borrowings	7	5,174,724	5,501,070
Provisions	7	1,975,704	2,236,932
Total Non-current Liabilities		<u>7,150,428</u>	<u>7,738,002</u>
Total Liabilities		<u>9,138,564</u>	<u>9,763,358</u>
NET ASSETS		<u>34,302,812</u>	<u>33,958,693</u>
EQUITY			
Accumulated Surplus		26,594,148	23,028,805
Asset Revaluation Reserves	8	7,673,529	10,894,753
Other Reserves	8	35,135	35,135
TOTAL EQUITY		<u>34,302,812</u>	<u>33,958,693</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 2021

2021	Notes	Acc'd Surplus \$	Asset Rev'n Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		23,028,805	10,894,753	35,135	33,958,693
Net Surplus / (Deficit) for Year		3,565,343			3,565,343
Other Comprehensive Income					
Impairment (expense) / recoupments offset to asset revaluation reserve		-	(3,221,224)	-	(3,221,224)
Balance at end of period	8	26,594,148	7,673,529	35,135	34,302,812

2020	Notes	Acc'd Surplus \$	Asset Rev'n Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		20,327,161	10,894,753	-	31,221,914
Adjustment to give effect to changed accounting policies		(35,135)	-	35,135	-
Restated opening balance		20,292,026	10,894,753	35,135	31,221,914
Net Surplus / (Deficit) for Year		2,736,779	-	-	2,736,779
Balance at end of period	8	23,028,805	10,894,753	35,135	33,958,693

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 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Rates - general & other		1,779,177	1,751,079
Fees & other charges		34,709	22,441
User charges		654,802	1,154,907
Investment receipts		13,963	26,858
Grants utilised for operating purposes		1,663,867	1,791,115
Reimbursements		21,238	5,501
Other revenues		992,459	123,563
<i>Payments:</i>			
Employee costs		(1,233,987)	(945,213)
Materials, contracts & other expenses		(2,136,230)	(931,371)
Finance payments		(187,823)	(212,419)
Net Cash provided by (or used in) Operating Activities		1,602,174	2,786,461
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		3,211,311	2,214,617
Sale of replaced assets		50,727	57,500
Sale of surplus assets		-	166,629
Sale of real estate developments		144,075	103,040
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(1,496,583)	(2,118,715)
Expenditure on new/upgraded assets		(4,474,114)	(2,917,893)
Net Cash provided by (or used in) Investing Activities		(2,564,584)	(2,494,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings		(313,630)	(344,772)
Net Cash provided by (or used in) Financing Activities		(313,630)	(344,772)
Net Increase (Decrease) in cash held		(1,276,040)	(53,133)
Cash & cash equivalents at beginning of period	9	3,083,706	3,136,839
Cash & cash equivalents at end of period	9	1,807,666	3,083,706

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 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest 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 consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

3.1 Revenue

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

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

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

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

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

	Cash Payment Received	Annual Allocation	Difference	
2016-17	\$1,883,029	\$1,243,146	+	\$657,839
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
2020-21	\$1,211,571	\$1,236,430	-	\$24,859

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 12 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

3.2 Construction Contracts

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

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

4 Cash, Cash Equivalents and Other Financial Instruments

4.1 Cash, Cash Equivalent Assets

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

4.2 Other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 11.

5 Inventories

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

5.1 Real Estate Assets Developments

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

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

6.5 Impairment

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

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Provisions

9.1 Employee Benefits

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

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

Weighted average discount rate	1.39% (2020, 0.92%)
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No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

Superannuation:

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 14

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

9.2 Provisions for reinstatement, restoration, rehabilitation.

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

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

9.3 Cowell Cottages Lease Liability

15 of the Cowell Cottages are occupied under a licence to occupy. In the event the tenants vacate the premises, the licences are repayable by Council. A provision has been included in Note 7 to account for this.

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

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material:

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

Amendments to AASB 16 Covid-19 Related Rent Concessions:

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

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 2 - INCOME

	Notes	2021 \$	2020 \$
RATES REVENUES			
<u>General Rates</u>		1,355,867	1,294,309
Less: Discretionary rebates, remissions & write offs		(16,212)	(16,019)
		<u>1,339,655</u>	<u>1,278,290</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		90,191	84,521
Community wastewater management systems		318,167	314,617
		<u>408,358</u>	<u>399,138</u>
<u>Other Charges</u>			
Penalties for late payment		6,290	7,033
		<u>6,290</u>	<u>7,033</u>
Less: Discretionary rebates, remissions & write offs			
		<u>1,754,303</u>	<u>1,684,461</u>
STATUTORY CHARGES			
Development Act fees		14,916	5,418
Town planning fees		5,615	9,028
Health & Septic Tank Inspection fees		831	1,390
Animal registration fees & fines		6,871	6,395
Parking fines / expiation fees		-	210
Other licences, fees, & fines		4,823	-
		<u>33,056</u>	<u>22,441</u>
USER CHARGES			
Cemetery/crematoria fees		7,985	3,991
Complex Water Usage		-	50,243
Hall & equipment hire		4,850	7,124
Camping Fees		43,261	23,312
Shack Area Fees		102,208	105,022
Rubbish Disposal Fees		226,019	212,471
Boat Ramp Fees		19,373	14,751
Cowell Cottages		118,293	266,745
Coolanie Water Fees		37,772	-
Standpipe Water Use		13,433	-
Other User Charges		7,021	-
		<u>580,215</u>	<u>683,659</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 2 - INCOME (con't)

	Notes	2021 \$	2020 \$
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		8,790	17,759
Banks & other		6,060	6,917
		<u>14,850</u>	<u>24,676</u>
REIMBURSEMENTS			
- for private works		19,946	5,501
- other		281	-
		<u>20,227</u>	<u>5,501</u>
OTHER INCOME			
Rebates received		-	22,767
Sundry		310,489	141,904
		<u>310,489</u>	<u>164,671</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		3,211,311	2,214,617
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		1,211,571	1,788,238
Roads to Recovery		332,192	-
Library & Communications		3,359	2,877
Sundry		297,519	-
		<u>1,844,641</u>	<u>1,791,115</u>
		<u>5,055,952</u>	<u>4,005,732</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		1,287,830	684,591
State government		3,768,122	3,321,141
		<u>5,055,952</u>	<u>4,005,732</u>
Individually Significant Item			
Coolanie Waterline		-	1,214,617
SLRP - Beach Road		700,000	1,000,000
SABFAC Grant - Marina		1,500,000	-

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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>	-	237,645
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>		
<i>SLGIP</i>	-	(237,645)
<i>Subtotal</i>	-	(237,645)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>LGCIP (x2)</i>	371,433	-
<i>Subtotal</i>	371,433	-
<i>Unexpended at the close of this reporting period</i>	371,433	-
<i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>	371,433	(237,645)

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 3 - EXPENSE

	Notes	2021 \$	2020 \$
EMPLOYEE COSTS			
Salaries and Wages		1,329,914	1,392,225
Employee leave expense		117,355	113,526
Superannuation - defined contribution plan contributions	14	125,763	130,288
Superannuation - defined benefit plan contributions	14	-	28,776
Workers' Compensation Insurance		30,447	54,867
Less: Capitalised and distributed costs		<u>(309,600)</u>	<u>(689,923)</u>
Total Operating Employee Costs		<u>1,293,879</u>	<u>1,029,759</u>
Total Number of Employees		17	17
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		24,560	17,730
Elected members' expenses		65,530	65,574
Election expenses		390	9,788
Subtotal - Prescribed Expenses		<u>90,480</u>	<u>93,092</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors, Materials & Other (NEC)		5,431,406	452,139
Energy		216,134	138,812
Patrol Grading		21,145	217,625
Plant Maintenance		223,716	243,414
Rubbish Disposal		161,201	116,934
Legal Expenses		14,841	24,996
Levies paid to government - NRM levy		89,476	84,483
Parts, accessories & consumables		99,887	108,650
Professional services		43,800	58,118
Other Capital		725,850	-
Less: Capitalised and distributed costs		<u>(5,661,097)</u>	<u>-</u>
Subtotal - Other Materials, Contracts & Expenses		<u>1,366,357</u>	<u>1,445,171</u>
		<u>1,456,838</u>	<u>1,538,263</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 3 - EXPENSE con't

	2021	2020
Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Other Structures	275,134	218,535
CWMS	147,337	114,647
Other Community Assets	97,339	29,702
Office Equipment, Furniture etc	6,822	6,850
Plant, Machinery, Equipment	188,442	200,510
Sealed Roads	272,549	-
Unsealed Roads	190,249	-
Kerb & Gutter	24,401	-
Footpath	43,792	-
Stormwater	2,140	-
Bridges	2,148	-
Infrastructure	-	418,259
	<u>1,250,353</u>	<u>988,503</u>
FINANCE COSTS		
Interest on Loans	<u>185,373</u>	<u>203,294</u>
	<u>185,373</u>	<u>203,294</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2021	2020
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	50,727	57,500
Less: Carrying amount of assets sold	68,107	53,270
Gain (Loss) on disposal	(17,380)	4,230
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	-	166,629
Less: Carrying amount of assets sold	-	227,442
Gain (Loss) on disposal	-	(60,813)
 REAL ESTATE DEVELOPMENT ASSETS		
Proceeds from disposal	144,075	103,040
Less: Carrying amount of assets sold	144,000	141,000
Gain (Loss) on disposal	75	(37,960)
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 (17,305)	 (94,543)

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 5 - CURRENT ASSETS

	Notes	2021 \$	2020 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		180,257	225,919
Deposits at Call		1,620,840	2,855,481
Short Term Deposits & Bills, etc		6,569	2,306
		<u>1,807,666</u>	<u>3,083,706</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		193,218	218,092
Accrued Revenues		1,466	48,993
Debtors - general		13,517	59,093
GST Recoupment		52,824	-
Prepayments		41,985	49,993
		<u>303,010</u>	<u>376,171</u>
INVENTORIES			
Stores & Materials		46,181	17,682
Real Estate Developments	6	-	144,000
		<u>46,181</u>	<u>161,682</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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

Fair Value Level	2020				2021			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Buildings & Other Structures	17,746,789	-	(11,997,840)	5,748,949	15,639,069	659,070	(10,958,782)	5,339,357
CWMS	10,960,059	-	(556,877)	10,403,182	10,789,536	-	(674,474)	10,115,062
Land	4,575,136	-	-	4,575,136	1,797,999	180,123	-	1,978,122
Other Community Assets	2,033,989	2,869,893	(1,067,590)	3,836,292	2,763,888	6,582,967	(1,107,362)	8,239,493
Office Equipment, Furniture etc	-	399,372	(352,088)	47,284	-	399,373	(358,911)	40,462
Plant, Machinery, Equipment	-	3,903,702	(2,014,223)	1,889,479	-	3,907,739	(2,000,040)	1,907,699
Transportation:	-	-	-	-	-	-	-	-
Sealed Roads	-	-	-	-	13,312,331	-	(3,599,876)	9,712,455
Unsealed Roads	-	-	-	-	4,680,663	-	(3,274,013)	1,406,650
Kerb & Gutter	-	-	-	-	1,100,420	-	(351,649)	748,771
Footpath	-	-	-	-	2,199,700	-	(677,540)	1,522,159
Stormwater	-	-	-	-	554,624	-	(385,573)	169,051
Bridges	-	-	-	-	180,000	-	(74,762)	105,238
Infrastructure	24,035,608	1,841,588	(12,524,012)	13,353,184	-	-	-	-
Reinstatement costs	-	246,986	-	246,986	-	-	-	-
Total IPP&E	59,351,581	9,261,541	(28,512,630)	40,100,492	53,018,230	11,729,272	(23,462,982)	41,284,519
Comparatives	59,003,909	6,082,156	(27,752,966)	36,333,099	59,351,581	9,261,541	(28,512,630)	40,100,492

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 2021

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2021
	2020	\$	Carrying Amount	Additions	Disposals	Dep'n	Transfers		Net Reval'n	Carrying Amount	
	\$	\$	\$	New / Upgrade	Renewals	\$	In	Out	\$	\$	
Buildings & Other Structures	5,748,949	-	659,070	-	(275,134)	-	-	-	(793,528)	5,339,357	
CWMS	10,403,182	-	-	-	(147,337)	-	-	-	(140,783)	10,115,062	
Land	4,575,136	180,123	-	-	-	-	-	-	(2,777,137)	1,978,122	
Other Community Assets	3,836,292	3,713,074	-	-	(97,339)	576,507	-	-	210,959	8,239,493	
Office Equipment, Furniture etc	47,284	-	-	-	(6,822)	-	-	-	-	40,462	
Plant, Machinery, Equipment	1,889,479	-	256,595	(49,933)	(188,442)	-	-	-	-	1,907,699	
Transportation:	-	-	-	-	-	-	-	-	-	-	
Sealed Roads	-	580,917	580,917	(18,174)	(272,549)	7,664,848	-	-	1,176,495	9,712,455	
Unsealed Roads	-	-	-	-	(190,249)	6,144,112	(2,742,674)	-	(1,804,539)	1,406,650	
Kerb & Gutter	-	-	-	-	(24,401)	395,046	-	-	378,126	748,771	
Footpath	-	-	-	-	(43,792)	1,036,768	-	-	529,183	1,522,159	
Stormwater	-	-	-	-	(2,140)	171,191	-	-	-	169,051	
Bridges	-	-	-	-	(2,148)	107,386	-	(13,353,184)	-	105,238	
Infrastructure	13,353,184	-	-	(246,986)	-	-	-	-	-	-	
Reinstatement costs	246,986	-	-	-	-	-	-	-	-	-	
Total IPP&E	40,100,492	4,474,114	1,496,582	(315,093)	(1,250,353)	16,095,858	(16,095,858)	(3,221,224)	(3,221,224)	41,284,519	
Comparatives	36,333,099	2,917,893	2,118,715	(280,712)	(988,503)	-	-	-	-	40,100,492	

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 2021

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. Accordingly, formal sensitivity analysis does not provide useful information.

District Council of Franklin Harbour
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

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

District Council of Franklin Harbour

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

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 30 June 2020 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 30 June 2020 by Martin Burns, of Liquid Pacific.

Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2021, based on actual costs incurred during the reporting periods ended 30 June 2020 and 2021. All acquisitions made after the respective dates of valuation are recorded at cost.

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 2021. 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 2020 by Martin Burns, of 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 2021

Note7 - LIABILITIES

	Notes	2021		2020	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		407,401		178,866	
Payments received in advance		342,479	-	523,253	-
Accrued expenses - employee entitlements		32,660	-	18,627	-
Accrued expenses - other		215,428	-	387,259	-
		<u>997,968</u>	<u>-</u>	<u>1,108,005</u>	<u>-</u>
BORROWINGS					
Loans		326,345	5,174,724	313,629	5,501,070
		<u>326,345</u>	<u>5,174,724</u>	<u>313,629</u>	<u>5,501,070</u>

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

PROVISIONS

LSL Employee entitlements (including oncosts)		175,596	20,954	131,717	35,196
AL Employee entitlements (including oncosts)		180,227	-	164,005	-
Future reinstatement / restoration, etc		-	-	-	246,986
Other Provisions		308,000	1,954,750	308,000	1,954,750
		<u>663,823</u>	<u>1,975,704</u>	<u>603,722</u>	<u>2,236,932</u>

Movements in Provisions - 2021 year only
(current & non-current)

	Future Reinstatement	Other Provision
Opening Balance	246,986	2,593,668
Add Unwinding of present value discounts		
Additional amounts recognised	-	45,859
(Less) Payments		
Unused amounts reversed	246,986	-
Closing Balance	<u>-</u>	<u>2,639,527</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 8 - RESERVES

ASSET REVALUATION RESERVE	1/7/2020	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2021
Notes	\$	\$	\$	\$
Land	4,686,797	(2,777,137)	-	1,909,660
Buildings & Other Structures	3,039,424	(793,528)	-	2,245,896
Infrastructure	3,168,532	279,265	-	3,447,797
CWMS	-	(140,783)	-	(140,783)
Other Community Assets	-	210,959	-	210,959
TOTAL	10,894,753	(3,221,224)	-	7,673,529
Comparatives	10,894,753	-	-	10,894,753

OTHER RESERVES	1/7/2020	Transfers to Reserve	Transfers from Reserve	30/6/2021
Lucky Bay LGFA Reserve	35,135	-	-	35,135
TOTAL OTHER RESERVES	35,135	-	-	35,135
Comparatives	-	35,135	-	35,135

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 2021

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	2021 \$	2020 \$
Total cash & equivalent assets	5	1,807,666	3,083,706
Balances per Cash Flow Statement		<u>1,807,666</u>	<u>3,083,706</u>

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

Net Surplus (Deficit)		3,565,343	2,736,779
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,250,353	988,503
Net increase (decrease) in unpaid employee benefits		59,892	84,547
Grants for capital acquisitions treated as Investing Activity		(3,211,311)	(2,214,617)
Net (Gain) Loss on Disposals		17,305	94,543
		<u>1,681,582</u>	<u>1,689,755</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		73,161	(7,700)
Net (increase) decrease in inventories		(28,499)	148,045
Net increase (decrease) in trade & other payables		(124,070)	956,361
Net Cash provided by (or used in) operations		<u>1,602,174</u>	<u>2,786,461</u>

(c) Financing Arrangements

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

Corporate Credit Cards	9,000	9,000
LGFA Cash Advance Debenture facility	1,100,000	-

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 2021

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	2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$				
Administration	2,600,165	2,496,760	1,353,401	1,218,571	1,246,764	1,278,189	1,301,972	1,031,527	3,455,235	3,477,559
Public Order & Safety	6,886	6,612	1,403	1,260	5,483	5,352	-	-	-	-
Health	287,059	275,643	194,794	174,943	92,265	100,700	-	8,898	-	-
Housing & Community Services	807,218	775,116	904,400	812,236	(97,182)	(37,120)	1,766,052	49,927	245,400	246,986
Protection of the Environment	146,337	140,517	40,315	36,207	106,021	104,310	-	125,766	-	-
Sport Recreation & Culture	32,801	31,497	385,035	345,798	(352,234)	(314,301)	3,631	2,877	-	-
Fuel & Energy	-	-	-	-	-	-	-	1,214,617	-	-
Mining & Manufacture	5,642	5,418	3,677	3,302	1,966	2,116	-	-	-	-
Transport & Communication	604,188	580,160	1,222,605	1,098,014	(618,417)	(517,854)	1,984,297	1,572,120	39,740,741	39,997,506
Economic Affairs	50,326	48,325	80,813	72,578	(30,487)	(24,253)	-	-	-	-
Other Purposes	17,158	16,476	-	(3,090)	17,158	19,566	-	-	-	-
TOTALS	4,557,780	4,376,524	4,186,443	3,759,819	371,337	616,705	5,055,952	4,005,732	43,441,376	43,722,051

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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 Inspections, Food Control, Immunisation, Preventive Health Services, Other Health Services,

Housing and Community Amenities

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.

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 the Planning, Development and Infrastructure Act

Transport

Construction and Maintenance of Roads, drainage works, footpaths, parking facilities and signs. Management of Aerodrome.

Economic Affairs

Pest Control Services, Tourism, Agriculture and Other Economic Development.

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 11 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p>Terms & conditions: Deposits are returning fixed interest rates</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 8% (2020: 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>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 2.35% and 6% (2020: 3.35% and 6%)</p> <p>Carrying amount: approximates fair value.</p>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 11 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2021	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	1,807,666	-	-	1,807,666	1,807,666
Receivables	303,010	-	-	303,010	261,025
Total	2,110,676	-	-	2,110,676	2,068,691
<u>Financial Liabilities</u>					
Payables	997,968	-	-	997,968	749,880
Current Borrowings	326,345	-	-	326,345	326,345
Non-Current Borrowings	-	4,527,942	992,036	5,519,977	5,174,724
Total	1,324,313	4,527,942	992,036	6,844,290	6,250,949
2020	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	3,083,706	-	-	3,083,706	3,083,706
Receivables	326,178	-	-	326,178	326,178
Total	3,409,884	-	-	3,409,884	3,409,884
<u>Financial Liabilities</u>					
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
Total	1,015,748	4,560,842	1,426,911	7,187,657	6,516,818

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

	30 June 2021		30 June 2020	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	3.18	5,501,070	4.175	6,016,818
		<u>5,501,070</u>		<u>6,016,818</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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 2021

Note 12 - FINANCIAL INDICATORS

2021 2020 2019

Adjustments to Ratios

1. 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.

2. The Net Financial Liabilities Ratio (NFLR) for the 2020-21 financial year has also been adjusted to remove the impact of the provision of \$2.3M that relates to the Cowell Cottage retirement units license deposits reported in Other Provisions in note 8. It should be noted that upon repayment of a deposit a financial asset is created in the license is now being available to be resold, further to this an asset also exists being the land & buildings which is not included in the calculation of the NFLR.

If a user of these statements were to assess Councils financial health or financial sustainability based on the literal calculation of the NFLR, as prescribed by the Model Financial Statements, they would most likely reach an incorrect conclusion. Accordingly when undertaking such analysis readers are encouraged to understand and refer to the adjusted ratios that follow rather than the ratios reported at the end of this note that are consistent with the Model Financial Statements.

Adjusted Operating Surplus Ratio	8.6%	13.3%	20.0%
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Adjusted Net Financial Liabilities Ratio	118%	161%	121%
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Asset Renewal Funding Ratio

<u>Net Outlays on Existing Assets</u>	128%	173%	201%
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.

Operating Surplus Ratio

<u>Operating Surplus</u>	8.1%	14.1%	20.0%
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>	154%	144%	121%
Total Operating Income			

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

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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

	2021		2020
	\$		\$
Income	4,557,780		4,376,524
Expenses	<u>(4,186,443)</u>		<u>(3,759,819)</u>
Operating Surplus / (Deficit)	371,337		616,705
 Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	(1,496,583)		(2,118,715)
Add back Depreciation, Amortisation and Impairment	1,250,353		988,503
Proceeds from Sale of Replaced Assets	<u>50,727</u>		<u>57,500</u>
	(195,503)		(1,072,712)
 Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(4,474,114)		(2,917,893)
Amounts received specifically for New and Upgraded Assets	3,211,311		2,214,617
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>144,075</u>		<u>269,669</u>
	(1,118,728)		(433,607)
Net Lending / (Borrowing) for Financial Year	<u>(942,894)</u>		<u>(889,614)</u>

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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

Salarylink (Defined Benefit Fund) Members

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

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

District Council of Franklin Harbour
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

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 2021

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:

	2021	2020
	\$	\$
Salaries, allowances & other short term benefits	473,345	454,723
TOTAL	473,345	454,723

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

	2021	2020
	\$	\$
Planning and building applications fees	-	257
TOTAL	-	257

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Two Councillors own businesses from which various supplies were purchased as required on a 7 day account. Total purchases amounted to \$12,833 for the financial year.

An amount of \$6,200 was paid to the Franklin Harbour Development Group for the commission from the sale of silo art calendars. 1 Elected Member is a member of this group.

Ian G McDonald FCA



District Council of Franklin Harbour Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the District Council of Franklin Harbour (Council) for the year ended 30 June 2021.

Opinion

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

- a) to present fairly the financial position of the Council as at the 30 June 2021 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

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

Other Information – Basis of Accounting and Restriction on Distribution

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

Responsibilities of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

A handwritten signature in black ink that reads 'Ian G McDonald'.

Ian G McDonald FCA
Registered Company Auditor 16458

Signed at Grange, 10 November 2021

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Ian G McDonald FCA



Independent Assurance Report on the Internal Controls of the District Council of Franklin Harbour

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

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2020 to 30 June 2021.

Basis for Opinion

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

Limitation on Use

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

Inherent Limitations

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

The Council's Responsibility for the Internal Controls

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

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, issued by the *Australian Auditing and Assurance Standards Board*, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2020 to 30 June 2021. *ASAE 3100* also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

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

Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed at Grange, 10 November 2021

www.creativeauditing.com.au

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ianmcdonald@creativeauditing.org
Liability limited by a scheme approved under Professional Standards Legislation.

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Nancy 0408 832 848
nancytran@creativeauditing.org

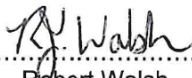
**District Council of Franklin Harbour
Annual Financial Statements
for the year ended 30 June 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Franklin Harbour for the year ended 30 June 2021, the Council's Auditor, Ian G McDonald FCA, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Shane Gill
CHIEF EXECUTIVE OFFICER


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

Date: 22/10/21

Ian G McDonald FCA



District Council of Franklin Harbour

Annual Financial Statement

For the year ended 30 June 2021

Audit Certificate of Audit Independence

We confirm that, for the audit of the financial statements of the District Council of Franklin Harbour for the year ended 30 June 2021, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

A handwritten signature in black ink that reads 'Ian G McDonald'.

Ian G McDonald FCA

Date: 24 September 2021

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2020/2021 EPLGA Annual Report

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION



ANNUAL REPORT



2020-21

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.

THE PRESIDENT'S REPORT

This annual report details the last 12 months activity undertaken by the Eyre Peninsula Local Government Association, its financial accounts, and operative regional collaborative partnerships.

2020/21 has been a time of incredible challenge, working through the ongoing social and financial effects of dealing with the COVID-19 global pandemic. Our eleven member councils and their communities have been endeavouring to work together to ensure the best outcomes possible and maximise opportunities which are arising from these challenges.



This year has been the first for Peter Scott in the position of EPLGA Executive Officer, bringing a different perspective and experience to the role. The shared service agreement with Regional Development Australia Eyre Peninsula (RDAEP) has delivered positive outcomes with many correlations between the two organisations, and the recognition that local government is increasingly expected to be a significant contributor to economic development.

The economic landscape of the Eyre Peninsula is constantly developing, and in recognition of this the EPLGA has been working with RDAEP to highlight where constraints to this might be. Access to accommodation, shortage of rental options, and a lack of childcare across our region are all areas of constraint which need attention, and the EPLGA is investigating the levels to which they will be involved in these areas.

Regional health continues to be an area where the EPLGA and its members are striving for appropriate action. We are still in the unacceptable position of having communities being isolated without adequate medical supports. Our councils are endeavouring to represent their local communities, working with Federal and State governments to find appropriate outcomes.

This past year saw the State Government lift the moratorium in SA on growing genetically modified crops, but in doing so place an opportunity for individual council areas to apply to have the exemption continue. In recognition of the similarities between our grain growing areas, the EPLGA put together a customised survey to go out to farmers across the EP. Working together on this project meant that the process for each individual council was simplified, and an overall Eyre Peninsula farming perspective could be developed. The outcome showed overwhelming support for farmers to have access to GM crop technology, and each of the member councils decided to take no further action.

Coastal protection and interactions continue to be an area of focus for our region, with responsibility for thousands of kilometres of coastline. Advocacy in this area is important so that decision makers understand the constraints and challenges which are faced in this area. This year saw the visit to our region of a State government committee looking at the coastal protection board and legislation, and the EPLGA was able to work with its member councils to directly share pertinent information.

The EPLGA also got involved with advocacy on the reforms to the State marine scale fishery. The State government changes which were proposed didn't take into account the unique nature of the fishery and fishing businesses from the West Coast, and were reforms that were all-encompassing in their nature.

We invited the Primary Industries Minister to visit the Eyre Peninsula and meet with councils and key stakeholders directly to hear their concerns. After this visit, some more nuanced changes were brought in reflect some of the distinct aspects of the EP fishery.

With the uncertainty around holding events in 2021, it was decided that the 84th annual EPLGA conference would be organised by the EPLGA Executive Officer, and was held in February in Port Lincoln. Run in conjunction with the RDAEP, the conference title ‘The Resilience Effect – Building regional resilience on the Eyre Peninsula’ was reflected in the substance of the conference. Some of the business and economic development opportunities which we have on the EP were highlighted to those at the conference, followed by presentations and discussions on how local government can play a significant part in future years.

As well as these things, there will continue to be work on a range of other challenges, including native vegetation legislation, tourism, waste management, infrastructure funding, shared service opportunities, economic development, and many more.

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. State Parliament has developed new local government legislation which will mean a significant body of work will be necessary for our member councils, and we will need to be working together as councils to streamline that process. The communication with both State and Federal governments will also be very important, with the need to maximise funding and partnership opportunities.

This upcoming year will need the EPLGA Board and member Councils to show strong, responsive and accountable leadership, driving the opportunities for innovation while still respecting the characteristics which we all value in our communities and councils. 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.

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.

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 km²

POPULATION

Number of residents (ABS ERP 2019)

57,805

ECONOMY

Gross Regional Product (NIEIR 2019)

\$3.35 billion

JOBS

Local jobs (NIEIR 2019)

21,949 FTE

LOCAL EMPLOYMENT

Employed residents (NIEIR June 2019)

26,375

WELL-BEING

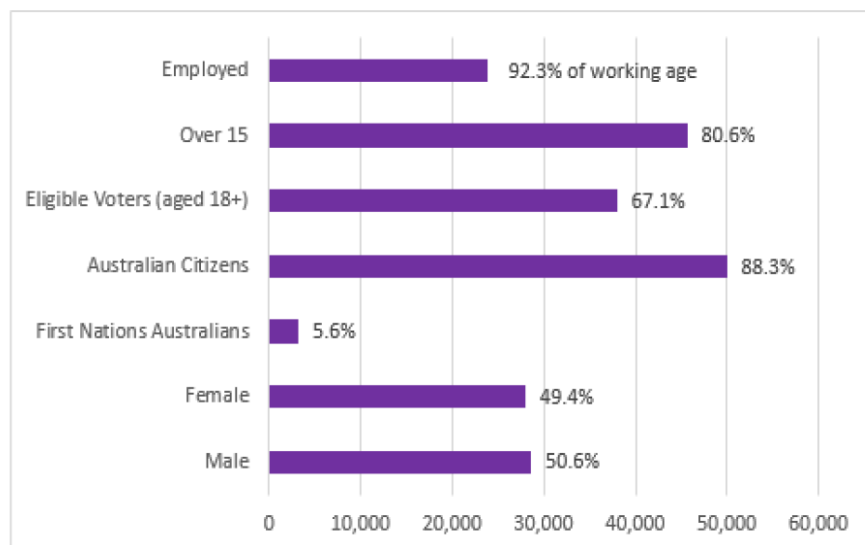
Median weekly household income (ABS 2016)

\$1,081

BUSINESS

Registered Businesses

5,134



Residential Population

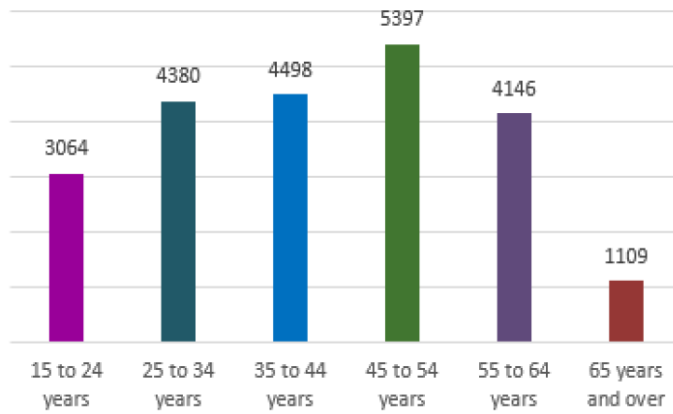
LOCAL GOVERNMENT AREA	LAND AREA		POPULATION (2019 ABS ERP)	
	Km ²	% of Region	No.	% of Region
Whyalla	1,072	0.46	21,665	37.5
Port Lincoln	30	0.01	14,718	25.5
Ceduna	5,424	2.31	3,442	6.0
Cleve	5,018	2.14	1,792	3.1
Elliston	6,741	2.87	1,008	1.7
Franklin Harbour	2,755	1.17	1,304	2.3
Kimba	5,700	2.43	1,065	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

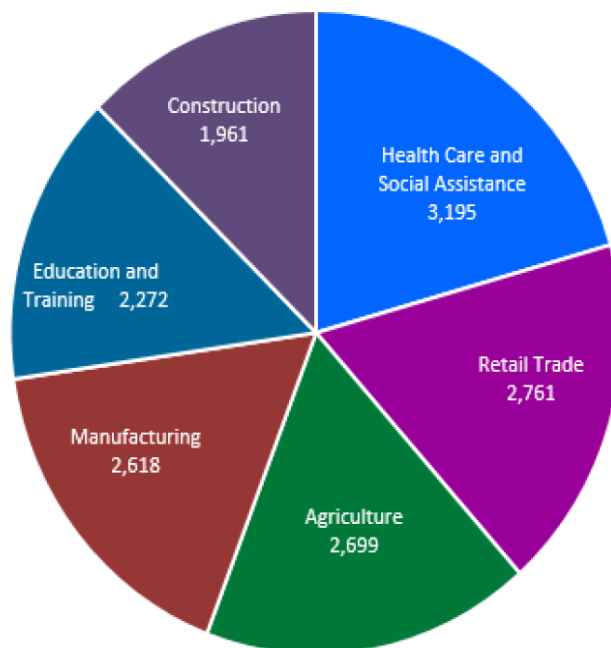
The Census usual resident population of the RDA Eyre Peninsula region in 2016 was 56,612 living in 30,441 dwellings with an average household size of 2.28. 2019 ABS ERP (Estimated Resident Population) shows marginal growth of 2.06% across the region to 57,805. Indications for the City of Whyalla and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

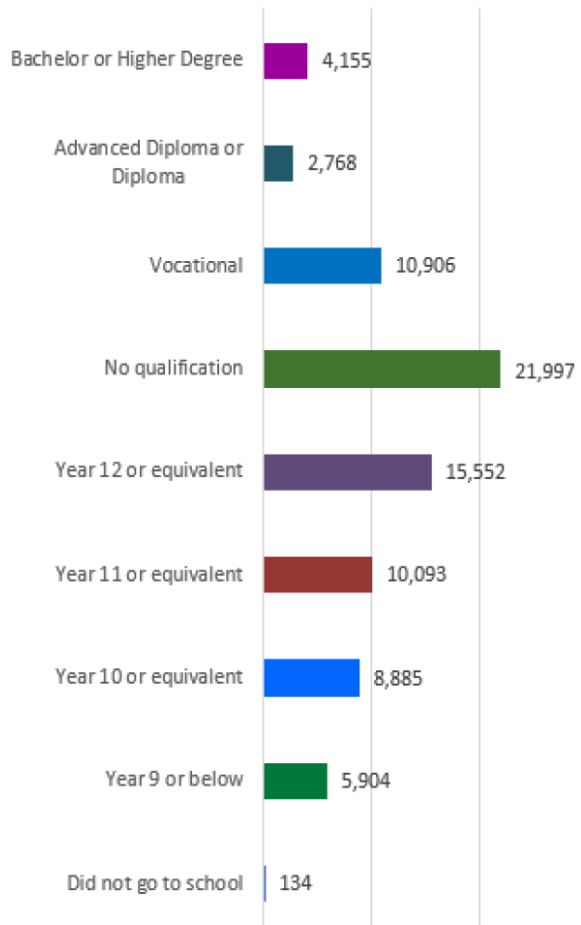
Local Workers Age Structure



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
Total (Top 10 Council Exports) (\$m)	1367.5	490.8	141.3	145.6	80	38.7	81.5	237.1	120.8	146.3	106.3	2955.9	3,000

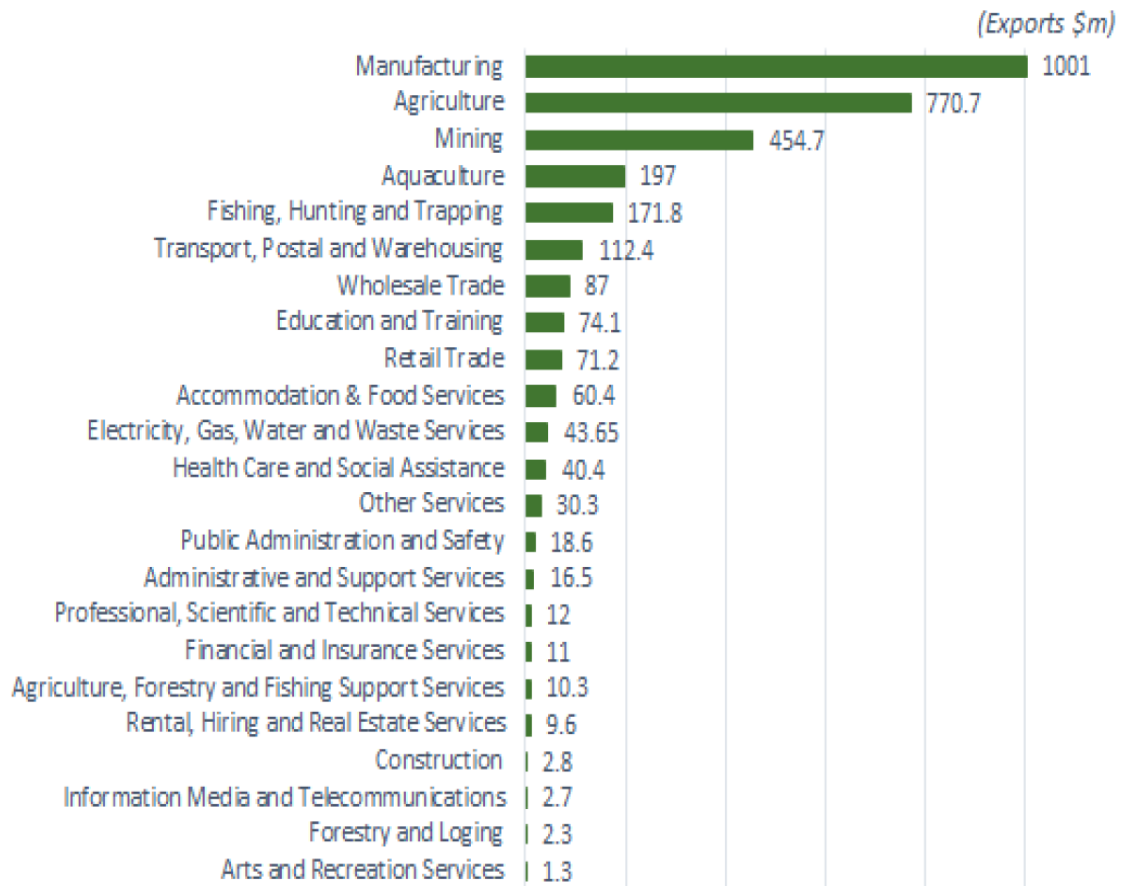
In 2018-19, regional exports to intrastate, interstate and overseas markets were valued at \$3.201 billion.

The region's main exporting industries were:

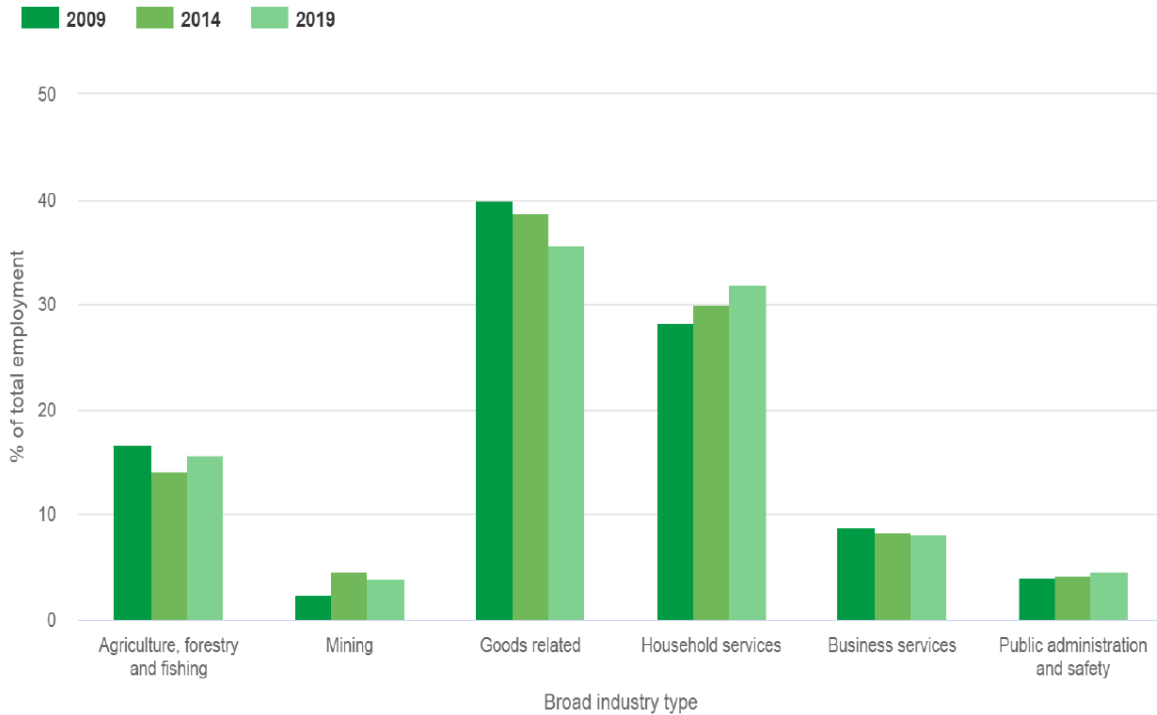
Manufacturing –\$1 billion.

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 +3%).

MEMBER COUNCILS

- 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

EPLGA BOARD MEMBERS 2020/21

Under the terms of the EPLGA Charter, the following Board appointments were current as at 30 June 2021.

MEMBER COUNCIL	BOARD MEMBER	DEPUTY BOARD MEMBER
Ceduna	Perry Will (Mayor)	Ian Bergmann (D/Mayor)
Cleve	Phil Cameron (Mayor)	Robert Quinn (D/Mayor)
Elliston	Malcolm Hancock (Mayor)	Peter Hitchcock (D/Mayor)
Franklin Harbour	Robert Walsh (Mayor)	Daven Wagner (D/Mayor)
Kimba	Dean Johnson (Mayor)	Megan Lienert (D/Mayor)
Lower Eyre Peninsula	Jo-Anne Quigley (Mayor)	Peter Mitchell (D/Mayor)
Port Lincoln	Brad Flaherty (Mayor)	Jack Ritchie (D/Mayor)
Streaky Bay	Travis Barber (Mayor)	Graham Gunn (D/Mayor)
Tumby Bay	Sam Telfer (Mayor)	vacant (D/Mayor)
Whyalla	Clare McLaughlin (Mayor)	Phil Stone (D/Mayor)
Wudinna	Eleanor Scholz (Mayor)	Ned Luscombe (D/Mayor)

THE LOCAL GOVERNMENT REPRESENTATIVES/ APPOINTMENTS

EPLGA Board Executive:

President	Mayor Sam Telfer	DC Tumby Bay
Immediate Past President	Mayor Travis Barber (In absence of Mayor Bruce Green – did not stand for election)	DC Streaky Bay
Deputy President	Mayor Clare McLaughlin	City of Whyalla
Chief Executive Officer	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.

Other Regional Organisations:

Regional Development Australia Eyre Peninsula Inc:

Bryan Trigg AFSM, Chair

Dion Dorward, Chief Executive Officer

Zone Emergency Management Committee:

Mayor Brad Flaherty (Presiding Member)

- City of Port Lincoln

Peter Scott, Executive Officer

- EPLGA

Representatives from each Council

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

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).

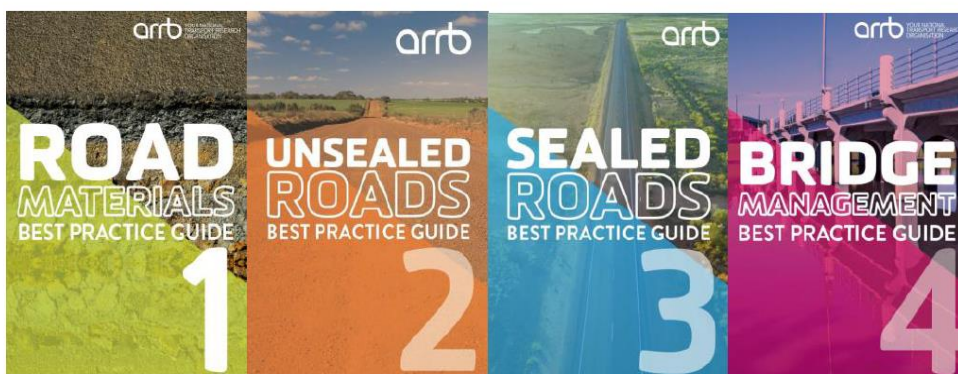
Friday, 4 September 2020	DCLEP
Friday, 4 December 2020	Wudinna
Conference 25 & 26 Feb 2021	EPLGA
Friday, 2 July 2021	Wudinna
Friday, 3 September 2021	Port Lincoln
Friday, 3 December 2021	Kimba
Conference Feb/ March 2022 (either last week of Feb & first week of March)	Cleve
Friday, 3 June 2022	Elliston
Friday, 2 September 2022	Tumby Bay
Friday, 2 December 2022	Whyalla
Conference Feb/ March 2023 (either last week of Feb & first week of March)	Franklin Harbour
Friday, 2 June 2023	Ceduna
Friday, 1 September 2023	DCLEP
Friday, 1 December 2023	Port Lincoln
Conference Feb/March 2024 (either last week of Feb & first week of March)	Streaky Bay
Friday, 7 June 2024	Wudinna
Friday, 6 September 2024	Kimba
Friday, 6 December 2024	Cleve
Conference Feb/March 2025 (either last week of Feb & first week of March)	Elliston
Friday, 6 June 2025	Whyalla
Friday, 5 September 2025	Franklin Harbour
Friday, 5 December 2025	Ceduna
Conference Feb/March 2026 (either last week of Feb & first week of March)	Tumby Bay
Friday, 5 June 2026	DCLEP
Friday, 4 September 2026	Streaky Bay
Friday, 4 December 2026	Wudinna
Conference Feb/March 2027 (either last week of Feb & first week of March)	Whyalla
Friday, 4 June 2027	Port Lincoln
Friday, 3 September 2027	Kimba
Friday, 3 December 2027	Cleve
Conference Feb/March 2028 (either last week of Feb & first week of March)	Ceduna
Friday, 2 June 2028	Elliston
Friday, 1 September 2028	Tumby Bay
Friday, 1 December 2028	Franklin Harbour

Conference Feb/March 2029 (either last week of Feb & first week of March)	Lower Eyre
Friday, 1 June 2029	Ceduna
Friday, 7 September 2029	Streaky Bay
Friday, 7 December 2029	Wudinna
Conference Feb/March 2030 (either last week of Feb & first week of March)	Port Lincoln
Friday, 7 June 2030	Tumby Bay
Friday, 6 September 2030	Cleve
Friday, 6 December 2030	Elliston
Conference Feb/March 2031 (either last week of Feb & first week of March)	Kimba
Friday, 6 June 2031	Whyalla
Friday, 5 September 2031	Franklin Harbour
Friday, 5 December 2031	Ceduna
Conference Feb/March 2032 (either last week of Feb & first week of March)	Wudinna
Friday, 4 June 2032	DCLEP
Friday, 3 September 2032	Streaky Bay
Friday, 3 December 2032	Port Lincoln
Conference Feb/March 2033 (either last week of Feb & first week of March)	Cleve

REPORT OF ACTIVITIES

EPLGA core activities have always included lobbying to State and Federal Government about legislation and policy changes that may have an impact on our region. This year ongoing concerns and/or participation have been with the following matters:

Australian Road Research Board (ARRB) through an initiative of the Deputy Prime Minister, the Hon Michael McCormack, was commissioned to deliver a set of Best Practice Guides for local governments across Australia, which we have completed, and are now freely available for downloading. EPLGA distributed the guides to all Councils.



A mobile app and guides are available here: <https://www.arrb.com.au/bestpracticeguides>

Roadside Vegetation Management – Native Vegetation Council (NVC)

The District Councils of Tumby Bay and Elliston continue to lobby the NVC on behalf of Eyre Peninsula. The NVC considered amendments to the State-wide Guidelines at their meeting on the 9th of July. The NVC have endorsed a change to the clearance height of up to 6m.

They have deferred decisions pending further information being provided by DC Tumby Bay and Elliston (noting no request for amendments were received from other councils), in relation to: the use of high impact methods for controlling vegetation within the road verge, including the use of graders and loaders with follow-up spot spraying.

Currently only low impact methods are permitted in road verge, such as slashing, trimming and mowing. (Note: high impact methods include any activity that disturbs the soil or results in plants being uprooted, such as the use of graders or bulldozers).

The NVC are seeking further information pertaining to the proposed extent of herbicide use, specifically why native vegetation would be subjected to herbicides when this type of chemical is specific to weed control. They would like to better understand the number of roads that DC Tumby Bay and Elliston intend to use this method on and how their will be no significant residual impact to vegetation. In addition, the quantum of native vegetation that would be removed as a result of the proposed amendment should also be put forward, this can be determined with the assistance of the branch.

A standard 2m clearance envelop permitted from the edge of the road surface (edge of the carriageway) in the road verge. The current guidelines only allows a standard 1 m clearance, with clearance up to 3m subject to the approval of the NVC.

DC Tumby Bay and Elliston are seeking to widen roads to accommodate oversize machinery travelling between paddocks and farms. NVC have asked for further clarification as to the safety risks described by Tumby Bay and Elliston.

EPLGA Submission to the Inquiry into the Review of the Native Vegetation Act 1991

The EPLGA provided a submission to the Natural Resources Committee (membership Ms Paula Luethen, Presiding Member, Dr Susan Close, Hon John Darley, Hon Russell Wortley, Mr Nick McBride, Hon Nicola Centofanti and Mr Adrian Pederick). The 6-page submission provided details of previous collaboration success and recommendations:

Collaboration Success: Case Study #1 Eyre Peninsula Roadside Vegetation Management Plan

In 2019, EPLGA invested in the development of the Eyre Peninsula Roadside Vegetation Management Plan (EP RVMP) with Dr. Kerri Muller (Accredited Native Vegetation Consultant and Principal, Kerri Muller NRM Pty. Ltd) and representatives of the (then) Natural Resources, Eyre Peninsula (NR EP), the Native Vegetation Management Unit (NVMU) of the Native Vegetation Council (NVC) and Grain Producers SA.

Collaboration Success: Case Study #2 Eyes on Eyre Camping Nodes

The Eyes on Eyre project has been a catalyst for collaboration and strategic investment between all levels of government and industry. Led by Regional Development Australia Eyre Peninsula (RDAEP), Eyre Peninsula Local Government Association (EPLGA) and Eyre Peninsula Landscape Board, the project addresses the long-term environmental impacts and management of camping and coastal access throughout the region’s pristine coastal and inland environment.

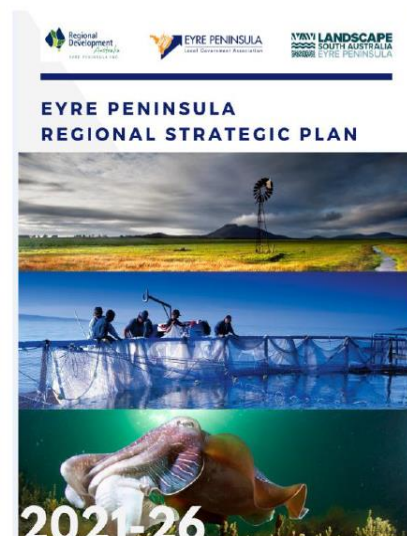
The EPLGA made recommendations to the Committee including exempting Townships from the Native Vegetation Act, the need for a review of the NVC Guidelines for Management of Roadside Native Vegetation and Regrowth Vegetation, making Native Vegetation Assessment Clearance Approvals valid for 5 years, establishing an expert group that Council Works Managers can access, undertaking trials for cost effective management of roadside native vegetation and updating and endorsement of a specific Eyre Peninsula Roadside Vegetation Management Plan.

Eyre Peninsula Regional Strategic Plan 2021-26

Eyre Peninsula is a vast and varied region, and this diversity is reflected in its cities and towns. There will be no single future for Eyre Peninsula, which means that we will need to consider multiple plausible strategies to help prepare our home for the future.

This EPLGA publication, Eyre Peninsula Regional Strategic Plan 2019, presents a set of priorities and strategies for living, working and investing in Eyre Peninsula.

It is an important resource to help anticipate the economic and social trends likely to affect Eyre Peninsula over the coming years.



It demonstrates that social, economic and technological changes will continue to challenge the existing structures in our region. These changes will affect the way in which people live, work and invest in Eyre Peninsula. Change can also drive opportunity. In the future, people will be employed in enterprises yet to be imagined, generated by technology yet to be invented.

This publication is the outcome of work undertaken by the EPLGA, RDAEP, government, academics and stakeholders. It is informed by data and robust analysis of the megatrends influencing regional Australia. The scenarios shape strategies that will help us to determine how best to connect Eyre Peninsula through investment in infrastructure, communications, and trade relationships. They will also help us to consider the training and education needs for the jobs and industries of the future.

Local Government across Eyre Peninsula has been an enthusiastic collaborator in this work. The Eyre Peninsula Regional Strategic Plan 2019 provides a solid demonstration of regional collaboration essential for securing regional funding and provides an effective lobbying tool for Eyre Peninsula. The plan can be viewed here: <http://eplga.com.au/publications-2/>

Special Local Roads Program – Review



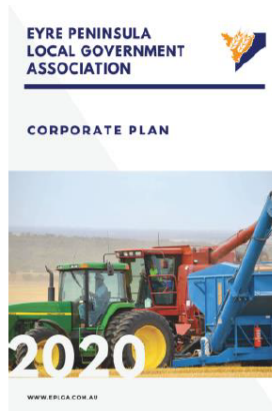
Hudson Howells has been engaged by the LGASA to undertake a review of the Special Local Roads Program (SLRP) with LGTAP acting as the Reference Group for the project. The key objectives of the study are to:

- Determine contemporary governance arrangements, policies and processes that support the SLRP.
- Provide reliable insights and assessment from a range of affected stakeholders to ensure the LGA's integrity in administering the SLRP.
- Ensure commonwealth, state and local government deliver value for money for local communities in the administration of grant funds.
- Ensure that projects supported by the SLRP are built and maintained to the appropriate Australian roads design standards and meet the Minister's Statement of Expectations for the Roads to Recovery fund.

The EPLGA EO participated in the extensive review. Hudson Howell noted the robustness of the EPLGA SLRP internal process with agreed priorities in the EP Regional Transport Strategy 2020 and the use of independent consultants SMEC in the process.

EPLGA Councils have again been successful in receiving funding with over \$3 million awarded (double previous years) for the upcoming financial year. The recommendations from the final review will be announced by the LGASA.

The EPLGA Corporate Plan (<http://eplga.com.au/corporate-2/governance/>) was updated in 2020 and is reviewed every 4 years. Recognising that regional strategic and economic plans are being jointly developed by RDAEP, EP Landscape Board and EPLGA to set out longer term strategies - through which the EPLGA will be responsible for a wide range of actions – the Corporate Plan focusses on the EPLGA’s key leadership and advocacy roles and will enable positive, value-adding and timely action on emerging strategic issues. Updates to have been made reflecting regional snapshot information and name changes for partners EP Landscape Board and Regional Development Australia Eyre Peninsula.



Engineering Masters Students for Eyre Peninsula

Unlocking the expertise and the resources of the University for regional benefit is one of the focus areas of UniSA. The EPLGA and UniSA is involved in the hosting students from Business and other disciplines to work on local projects.



The UniSA Business Internship Program gives organisations access to a fresh perspective and knowledge that can assist in their workplace. Employers and companies can host UniSA undergraduate and postgraduate students who will spend up to 45 days in a workplace, depending on the course they are enrolled in. This time is generally spread over a 10-12 week period, however it could also be done as an intensive (i.e. five days per week). The key is finding the balance between student and the organisation, ensuring the student is able to balance other study, work and life commitments. Hosting a student placement could involve a particular project or a more observational opportunity, giving students experience in multiple areas of the business.

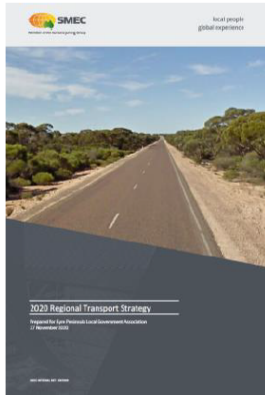
Benefits for EPLGA:

- Access to motivated students who will bring knowledge of current trends, theories, techniques and ideas.
- Identify potential new employees.
- Develop mentoring and supervision capabilities of current workforce.
- Form valuable links with UniSA Business for future collaborations with students and/or research.

Four (4) students have completed successful projects in *Procurement and Supply Chain* as part of their Master’s coursework. Projects were:

- *Streaky Bay Jetty Platform – Tender Process for upgrade works* - hosted by DC Streaky Bay
- *Current and future supply chain needs on Eyre Peninsula relevant to the international space launch and satellite industry* – hosted by RDAEP.

Sustainable, reliable, resilient and safe transport infrastructure systems are fundamental elements needed



to support vibrant economic and social growth of all regions. To support sustainable growth in the Eyre Peninsula Region, the Eyre Peninsula Local Government Association (EPLGA) has prepared this **2020 Eyre Peninsula Regional Transport Strategy**. (<http://eplga.com.au/publications-2/>). The primary objectives of the strategy are to provide a consistent framework for the management and development of transport infrastructure across the Eyre Peninsula.

This Regional Transport Strategy Update, prepared for the Eyre Peninsula Local Government Association (EPLGA), provides guidance on the management and development of roads across the region, including classification into a functional hierarchy and identification of Action Plans. This Strategy replaces the 2015

Regional Transport Strategy which was built on the Regional Roads Strategy regularly updated since 2003. The format of this Regional Transport Strategy follows similar formatting used in the development of other Regional Transport Plans in the State, and aligns with the guidance provided in the Local Government Association Overarching Regional Transport Strategy – 2014.

This strategy has been developed over the years through continuous liaison with member Councils and other key bodies pertinent to the shaping of the transport task across the region. In doing so this strategy provides achievable goals and objectives which are in line with maintaining a region rich in environment, economy and industry.

This current Revision 3 provides updates in association with more recent developments, comprising;

- Lucky Bay T-Ports grain facility
- Cape Hardy
- Port Spencer
- Kaolin Mining at Poochera
- South Australia State Strategy updates

Regional Capacity Funding Building Allocations-LGASA.



Regional Capacity Building Allocations is funding from the LGASA to the EPLGA that can be used to undertake projects and other related activities that are not able to be undertaken within existing funding bases. The allocation cannot be used for administration. The EPLGA started a program for multiple Councils with shared regional goals to apply for the funding for the benefit of the region. The projects funded included:

Streamlining Administrative Services to Drive Transformation through Efficiency Gains



The project was designed to engage TXM Lean Consultants to undertake a Lean Services review of selected administrative activities. As part of the process the following services were reviewed:

- Payroll Processing – DC Kimba
- Customer Requests – DC Streaky Bay
- Planning and Compliance – DC Tumby Bay

As part of the process TXM has undertaken site visits to each Council and work closely with staff involved in the services identified to be reviewed. This has been challenging given the Covid restrictions in place and with the lead consultant based in Melbourne. The rollout has had to use alternate means of communication such as zoom to facilitate the engagement needed to complete the project.

The reviews were used as a tool to examine existing practices to identify current capacity, customer values and opportunities for continuous improvement as part of inhouse processes. The outcomes of the project identified efficiency and productivity gains, improvements to the customer experience and employee engagement, and ultimately the long-term sustainability of Council.

Contact: Deb Larwood, CEO DC Kimba

Building Fire Safety Committee

Kelley Jones



On 19 March 2021 the *Development Act 1993 (Development Act)* was repealed and was replaced by the *Planning, Development and Infrastructure Act 2016 (PDI Act)* which now regulates building fire safety matters in South Australia. The Local Government Association Mutual Liability Scheme (LGAMLS) have identified the risk and sent out a series of templates councils can use to establish a Building Fire Safety Committee (BFSC). Kelley Jones have provided advice that in their view councils are obliged to establish a BFSC and a failure to do so exposes them to the risk of civil claims in the event of a building fire occurring in circumstances which, clearly, results in property damage but, otherwise, may result in personal injury or death and it is established that the council knew or ought to have known that the building posed a fire safety risk (i.e. the council was negligent to the extent, as recognised by the High Court, that a public law power can convert to a public law duty and, where a duty is breached, liability follows!) A BFSC is, after all, the primary overseer and enforcement mechanism for building fire safety risks – that is, it has a primary and fundamental public safety objective at its core. Without a BFSC, a council has limited formal mechanisms to address these risks. Due to the above a failure to establish a BFSC, at least amounts to a dereliction of a council’s statutory powers, if not duties and is, therefore, not only a source of significant civil liability risk but also of maladministration in public administration for the purposes of the Independent Commissioner Against Corruption Act 2012.

The DC Council of Elliston is leading the establishment of a BFSC for a group of councils at risk and have engaged Kelley Jones. Stage 1 BFSC “Health Check” and Risk Assessment has been completed and Stage 2 Establishing a Joint BFSC is underway.

Contact: Geoff Sheridan, CEO, DC Elliston



Regional Safety Focus



City of Port Lincoln with the DCs of Tumby bay and Elliston are implementing a collaborative program to engage staff in the process of developing risk assessments and safe operating procedures with a view to bringing Risk and Hazard Management Systems closer to an acceptable level of compliance.

Through this discussion, a shared schedule of prioritised risk assessments and operating procedures has been developed that apply largely to all 11 EPLGA councils. The project priorities include Plant Risk Assessments (PRA) and developing the associated pictorial Safe Operating Procedures (SOP).

The preferred approach was similar to what has previously been undertaken by these Councils with the One System Procedures in that one council develops the initial assessment. It is then reviewed, consulted and updated specific to that council and the process saves each council time in the development of the documents.

Project Outputs:

- Launch event will be made available to staff from all Councils and recorded for future access
- 10 x Plant Risk Assessments will be made available to all EPLGA Councils
- 10 x Safe Operating Procedures will be made available to all EPLGA Councils
- Increased local capacity to develop and implement safe working procedures and complete risk assessments

Further to this, the benefits were made via the process of developing the PRA and SOP documents, the operations staff in each of the Councils will have ownership of the documents as well as have developed the necessary skills and knowledge to continue to develop further PRAs and SOPs for other work activities.

With over 350 local government employees across the EPLGA, the benefits of this program extend far and wide in terms of enhancing the workplace safety of local government employees.

Contact: Matthew Morgan, CEO, City of Port Lincoln

Eyre Peninsula Trails - an ArcGIS StoryMap



ArcGIS StoryMaps

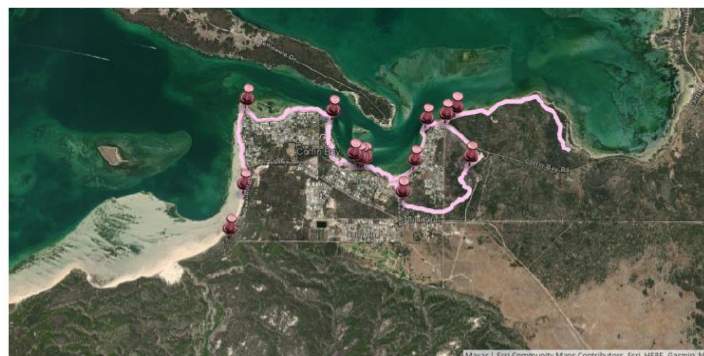
EPLGA Tourism Advisory Committee

The EPLGA Tourism Advisory Committee has created an inspiring, immersive Eyre Peninsula Walking Trails story by combining text, interactive maps, and other multimedia content. Soon to be published and shared with the Eyre Peninsula community and everyone around the world. ArcGIS StoryMaps is a story authoring web-based application that has enabled the EPLGA to share trail maps in the context of narrative text and other multimedia content. Stories include trail maps, narrative text, lists, images, videos, embedded items, and other media to enable tourists to plan Trail Adventures. The Story Map enables tourists to connect trails across all of Eyre Peninsula. One website will bring all of Eyre Peninsula Trails together in one easy to navigate story.

- 10. Oyster racks rest point: [View Picture here](#)
- 11. Coffin Bay Lookout: [View Picture here](#)
- 12. Snapper Point Car Park and Staircase: [View Picture here](#)
- 13. Route to Coffin Bay Lookout:
- 14. Old Oyster Town: [View Picture here](#)

[View Trail Map](#)

Lower Eyre Peninsula
<https://www.eyrepeninsula.com/coffin-bay>
<https://www.parks.sa.gov.au/barts/coffin-bay-national-park>
<https://coffinbay.net/>



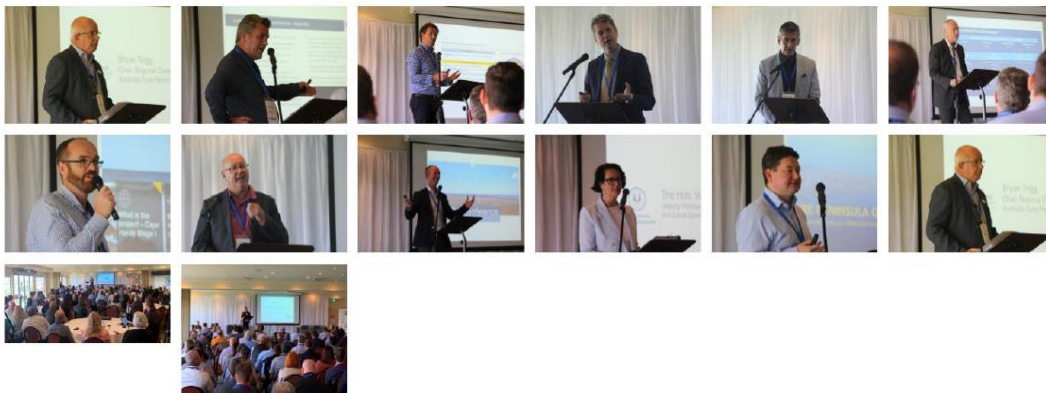
84th ANNUAL EPLGA CONFERENCE

<https://www.eplgaconference.com.au/latest-news>

This year's conference was hosted by the EPLGA instead of a Council due to COVID-19 uncertainty. 234 delegates attended the 2021 84th EPLGA Conference at the Port Lincoln Race Club which kicked off with Regional Development Australia Eyre Peninsula's (RDAEP) Economic Development Showcase.



The Showcase is part of a suite of RDAEP's dynamic reporting tools for stakeholders, local government, and Australian Ministers for Regional Development about projects that RDAEP actively support, plan, engage, advocate, and assist with connecting to opportunities across Eyre Peninsula. It provides these companies with a unique opportunity for networking with each other, RDAEP, EPLGA and local government.



Economic Development Showcase Speakers

Following the Showcase is the EPLGA Conference. The 84th Conference is titled "The Resilience Effect, Building Regional Resilience on Eyre Peninsula". With a focus on Building Regional Resilience, the 84th Annual EPLGA Conference energized and entertained, invited new thinking, sparked dynamic conversations, and inspire renewed commitment to work together for the benefit of our region.



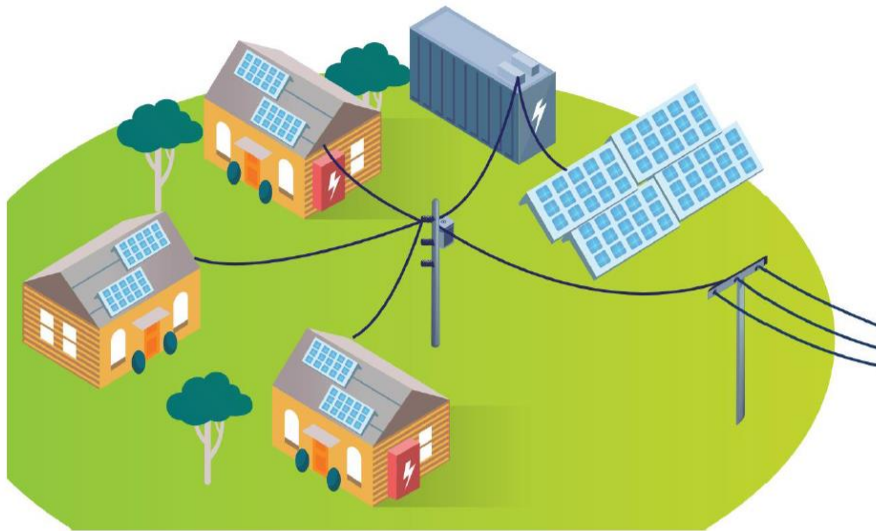
Other funded projects.

Microgrid Feasibility, Screening, and Impact Assessment for Eyre Peninsula (Kimba and Koonibba initially)

\$1.08 million over 18 months



microgrid - a small network of electricity users with a local source of supply that is usually attached to a centralised national grid but is able to function independently.



The Australian Government is committed to supporting regional Australia and has delivered significant investments focused on creating jobs and driving economic growth in our regions. The Regional and Remote Communities Reliability Fund (Fund) will provide up to \$50.4 million over 5 years from 2019-20 to 2023-24. Eyre Peninsula will receive \$1.08 million over 18 months to complete a Microgrid Feasibility, Screening, and Impact Assessment.

Project description and key activities

The Eyre Peninsula is the western-most part of the national electricity market (NEM) with distributed and small communities in remote townships and isolated properties. These communities play a significant role in Australia's tourism, agriculture, manufacturing, and export sectors, but have been disproportionately impacted by issues of electricity reliability, cost and security of supply. The transition to renewable energy microgrids in the region could provide more reliable, secure, and affordable power. This project involving the South Australia's electricity distribution provider SA Power Networks (SAPN) as a key collaborator involves three main activities.

Firstly, the feasibility of islanded microgrids at three locations will be assessed on the Eyre Peninsula. Secondly, a microgrid screening study will be conducted, in parallel with the first activity, to identify the optimal, least-cost mix of grid connection and islanded microgrids in 2020-25, 2025-30 and 2030-35, to align with each of SAPN's revenue determination periods.

Thirdly, an impacts assessment of regional microgrids will be undertaken to examine the broader impacts of decommissioning power lines across specific remote areas of the state.

A consortium of ITP, SA Power Networks (SAPN), ener-G, UniSA and Regional Development Australia Eyre Peninsula (RDAEP) will undertake the project in collaboration with communities in the region. The EPLGA have a shared services agreement with the RDAEP where the EO works two days a week for RDAEP. The key activities are:

Stage 1a: Microgrid Feasibility Studies

A study of the existing electricity supply to three localities in the Eyre Peninsula will be undertaken to identify opportunities for reducing overall cost via microgrid deployment. Kimba and Koonibba are two proposed localities. The District Council of Kimba has previously conducted community consultation and a pre-feasibility study on microgrid deployment in Kimba. The locations are to be confirmed following screening by SAPN in collaboration with ITP to identify network areas where supply costs are particularly high, and/or where reliability/safety/bushfire concerns are greatest. One of these locations will be the most promising location for a community-scale islanded microgrid, while the other will be Koonibba Aboriginal Community, a sparsely-populated locality where smaller islanded microgrids are most promising.

Each of these studies will include concept design, technical feasibility assessment, economic feasibility assessment, implementation option analysis, community consultations to discuss customer interest and concerns, likely levels of customer involvement (e.g. rooftop PV, batteries, demand management) and preferred operational and retail models, as well as a qualitative socio-economic and environmental impact assessment.

Stage 1b: Microgrid Screening Study

This study would be conducted in parallel to Stage 1a. Its main output would be a report describing the least-cost mix of grid-connection, embedded microgrids, and islanded of:

- a business-as-usual base case model of the existing electricity supply to the Eyre Peninsula
- a microgrid generation model for embedded and islanded microgrids of various scales
- a simulation and optimisation engine that compares the costs of continuing grid connection against embedded or islanded microgrids

The results of the three individual microgrid studies described in Stage 1 will be used to inform the model and validate the results.

Stage 2: Regional Microgrid Impact Assessment

The impacts of microgrid deployment across the region will also be assessed. These impacts include:

- local jobs and skills creation, and the opportunity for deployment of the methodology elsewhere on the SAPN network and across Australia
- broader environmental and social impacts, including bushfire risk reduction and freeing up of transmission capacity for large-scale, grid-connected renewable energy to supply the NEM
- impacts of decommissioning network assets on new load or generation connection enquiries and future load growth (e.g., if network assets need to be re-built to meet future demand).

Youth Led Recovery Grant: Youth on Country: Developing the Knowledge and Confidence of Aboriginal Youth across Lower Eyre Peninsula post COVID-19.



The Youth-led Recovery Grant projects are funded by the Department of Human Services and administered by the LGA. The Youth-led Recovery Grant projects has provided South Australian councils with the opportunity to engage with is young citizens and for young people in South Australia to lead the delivery of activities and initiatives, responding to the impact of the COVID-19 public health emergency.

The EPLGA in partnership with RDAEP engaged the Aboriginal Youth project team administered by West Coast Youth Services. The project developed the knowledge, confidence, life skills and goal setting of Aboriginal youth across lower Eyre Peninsula. The youth are mainly descendants of Aboriginal people from Koonibba, Bookabie, Coorabie, Fowlers Bay and Yalata. The project provided youth with a platform from which they were able to connect to their heritage and enable them to obtain a feeling of self-worth and have confidence in themselves. It provided practical skills backed with an insight to just how hard their elders had to work to establish infrastructure and change their way of life to assimilate with western society. This included language skills and changing to a totally different education and employment system.



SUMMARY OF OTHER ACTIVITIES

- › Natural Resources Management – joint partnership planning, delivery of services.
- › Regional Recognition/Lobbying – ongoing on various matters as they arise.
- › Emergency Management – regional planning and Council planning, followed by implementation.
- › Planning, Development and Infrastructure Act Implementation.
- › Coastal Access issues, development of a Coastal Alliance – state-wide.
- › Various roads and waste issues – regional road strategy review.
- › Regional Capacity Funding – General funding.
- › Marine Infrastructure Planning – DPTI, jetty leases, etc.
- › SAROC – meetings and regional Executive Officers’ meetings.
- › 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.
- › 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.
- › Joint submissions with RDAEP on various issues.

PLANS, PROGRAMS AND REPORTS – CURRENT STATUS

CORPORATE Plan 2020 – 24

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 2020-2024 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.

MANAGEMENT PLAN PERFORMANCE

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, DIT, PIRSA, AGP Plus
- 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 are 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:

- ***Regional Landscape Plan***
- ***Marine Scale Fish Fishery Reform***
- ***Regional and Remote Communities Reliability Fund***
- ***Giant Australian Cuttlefish***
- ***Regional Central Eyre School Dental Program***
- ***Eyes on Eyre Stage 2***
- ***Inquiry into Coast Protection Board***
- ***Litter Management on State Roads***
- ***Local Government Transport Advisory Panel - Special Local Roads Funding***

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. Shared Services project led by City of Whyalla has begun. 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.

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.

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 sound financial performance.

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
30TH JUNE 2021**

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, 2021

		2021	2020
	NOTE	\$	\$
<u>INCOME</u>			
Grants Received	2	74,415	209,399
Interest Received		3,259	7,149
Project Income - EP Councils	3	1,000	800
Membership Fees	4	199,187	199,187
Regional Economic Development Showcase & Conference		133,386	-
Reimbursable Expenses		59,544	23,485
<u>TOTAL INCOME</u>		<u>470,791</u>	<u>440,020</u>
<u>EXPENDITURE</u>			
Administration		15,642	9,500
Audit Fees		1,690	1,640
Bank Charges & Taxes		106	74
Computer Expenses		5,382	2,114
Employee Expenses		161,070	144,839
Insurance		6,180	6,000
Meeting Expenses		5,238	5,571
President's Expenses		2,250	2,250
Project Expenditure	5	228,401	210,258
Secretarial Services		19,000	19,000
Telephone		702	856
Travel & Accommodation		2,376	5,459
<u>TOTAL EXPENDITURE</u>		<u>448,037</u>	<u>407,561</u>
<u>NET SURPLUS/(DEFICIT)</u>		22,754	32,459
<u>NON-OPERATING INCOME AND EXPENSES</u>			
Non Operating Income			
ATO COVID-19 Cash Flow Bonus		18,552	18,552
<u>NET SURPLUS/(DEFICIT)</u>		<u>\$ 41,306</u>	<u>\$ 51,011</u>

The accompanying notes form part of these financial statements.

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2021

	2021	2020
	NOTE	
	\$	\$
Net Surplus/(Deficit)	41,306	51,011
Extraordinary Items	-	-
<u>TOTAL NET SURPLUS/(DEFICIT)</u>	41,306	51,011
Surplus Funds at July 1	346,949	295,938
SURPLUS/(DEFICIT)	388,255	346,949
<u>ACCUMULATED SURPLUS/(DEFICIT)</u> <u>AT 30TH JUNE, 2021</u>	\$ 388,255	\$ 346,949

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

		2021	2020
	NOTE	\$	\$
<u>EQUITY</u>			
Accumulated Surplus		\$ <u>388,255</u>	\$ <u>346,949</u>
REPRESENTED BY			
<u>CURRENT ASSETS</u>			
Cash at Bank	6	530,885	594,705
Debtors		14,945	13,783
ATO BAS Account		-	6,806
Income Accrued		274	1,504
GST Receivable		12,622	5,151
Prepayments		1,622	1,915
		<u>560,348</u>	<u>623,864</u>
<u>TOTAL ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	7	4,356	986
Creditors		24,159	2,039
Unspent Project Funds	8	134,008	269,900
Provision for Holiday Pay		9,570	3,990
		<u>172,093</u>	<u>276,915</u>
		\$ <u>388,255</u>	\$ <u>346,949</u>
<u>NET ASSETS</u>			

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, 2021

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.

2021 2020

\$ \$

NOTE 2 - Grants Received

LGA of SA - Regional Capacity	42,151	209,399
LGA of SA - Youth-led Recovery	32,264	-
	<u>74,415</u>	<u>209,399</u>

NOTE 3 - Project Income - EP Councils

EP Community Solar Scheme	\$ <u>1,000</u>	\$ <u>800</u>
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NOTE 4 - Membership Fees

District Council of Ceduna	16,733	16,733
District Council of Cleve	14,262	14,262
District Council of Elliston	13,276	13,276
District Council of Franklin Harbour	12,922	12,922
District Council of Kimba	13,011	13,011
Wudinna District Council	13,264	13,264
District Council of Lower Eyre Peninsula	19,474	19,474
District Council of Streaky Bay	15,111	15,111
District Council of Tumby Bay	15,781	15,781
City of Whyalla	36,524	36,524
City of Port Lincoln	28,829	28,829
	<u>\$ 199,187</u>	<u>\$ 199,187</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

	2021	2020
	\$	\$
<u>NOTE 5 - Project Expenditure</u>		
Unspent Funds at 1 July	(269,900)	(171,619)
Coastal	2,902	2,000
Regional Committees Support	2,277	7,534
Forums & Conferences	11,992	600
Governance & Planning Reform	-	1,000
CWMS Users Group	1,000	-
Joint Building Fire Safety	8,132	-
Regional Governance-JPB Pilot	-	24,930
Regional Planning - General	-	11,168
Regional Transport Strategy	2,800	44,640
Regional Safety Focus	20,899	-
Roadside Veg-Gap and Options	3,000	-
Regional Economic Development		
Showcase & Conference	191,427	-
Streamlining Admin Services	49,500	-
Tourism/Signage/Promotions	36,364	20,105
UniSA Masters Student Program	4,000	-
Youth-led Recovery	30,000	-
Unspent Funds at 30 June	134,008	269,900
	<u>\$ 228,401</u>	<u>\$ 210,258</u>
<u>NOTE 6 - Cash at Bank</u>		
BankSA Society Cheque Account	52,332	50,638
Bendigo Bank Term Deposit	166,529	165,085
LGFA	312,024	378,982
	<u>\$ 530,885</u>	<u>\$ 594,705</u>
<u>NOTE 7 - Sundry Creditors</u>		
PAYG Withheld	4,356	-
Superannuation	-	986
	<u>\$ 4,356</u>	<u>\$ 986</u>
<u>NOTE 8 - Unspent Project Funds</u>		
Regional Capacity Building	<u>\$ 134,008</u>	<u>\$ 269,900</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 2021 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 3 day of September 2021

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 30th June 2021.

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

liability limited by a scheme approved under Professional Standards Legislation

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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 30th June 2021.

Gill Penfold Kelly Pty Ltd

A large, stylized handwritten signature in blue ink, appearing to be 'G. Nicholls', is written over the text below.

Greg Nicholls B. Com, CPA, CTA

16th August 2021

4 Tasman Terrace, Port Lincoln SA 5606