
District Council of Ceduna

Annual Report 2019/2020



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YOUR COUNCIL

About Your Council

Ceduna is the major centre to a large and diverse business and industry sector on the Far West Coast of Eyre Peninsula, South Australia. It is the established focal point of a wide range of services. The Eyre Highway or National Highway One passes directly through Ceduna with a significant number of tourists passing through the town annually.

The District Council of Ceduna is the most western Local Government area of South Australia, being one of the most isolated and remote Councils of the State. The town of Ceduna is located on the Far West Coast of South Australia, on the scenic shores of Murat Bay on the Great Australian Bight, 780 km by road from South Australia's capital Adelaide and 1900 road kms to Perth.

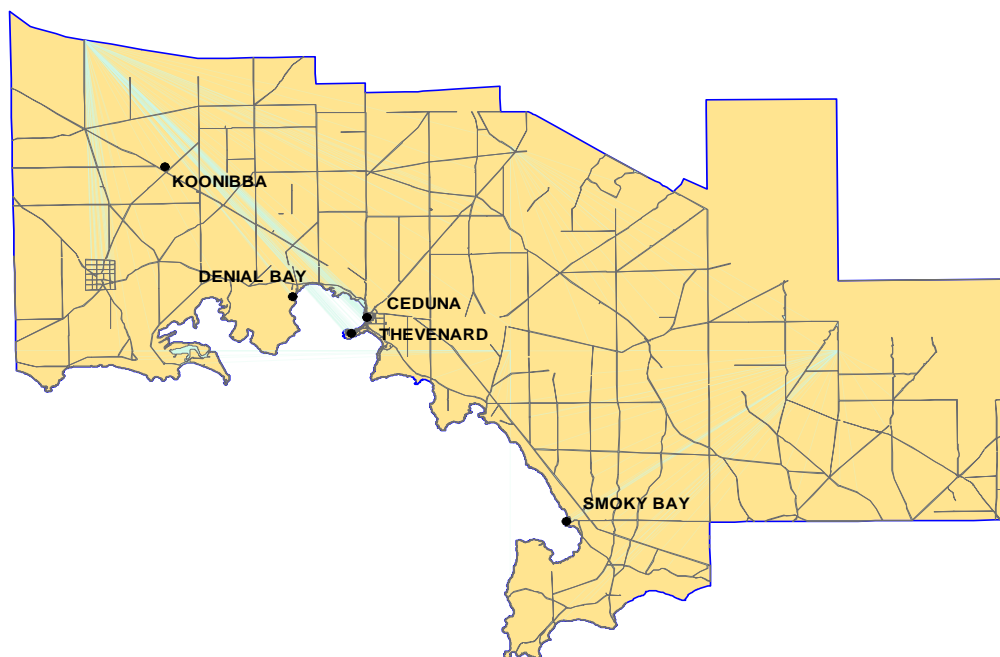
A high level of economic growth has occurred in recent times through the tourism, aquaculture and mining industries. This has resulted in the demand for increased services, increased interest in land development and the creation of many new job opportunities.

Ceduna has a population of 3,408 people as at 2016 (ABS.) The predominant proportion of this number of people live in Ceduna/Thevenard with the towns of Koonibba, Smoky Bay and Denial Bay having smaller populations within the Council's boundary.

Ceduna has been described as having one of the most complex multi-cultural communities in the country with many nationalities prominent in the town and immediate region.

Ceduna's reputation as the Far West Coast's major business, industry and service centre is expected to be enhanced with the continued redevelopment of major infrastructure in and around Ceduna.

Council Area



General Information

Total Area	5420 sq km
Rateable Properties	2353
Non-Rateable Properties	291
Total Properties	2644
Total Roads	1712 kms
Population	3408

COUNCIL PROFILE

Council Members 2019/2020

Mayor - Perry Will

Councillors - Ian Bergmann (Deputy Mayor)
Joyce Brewster
Paul Brown
Peter Codrington ESM
Ian Macgowan
Brenton Niemz
Geoff Ryan
Robbie Sleep

Following the resignation of Councillor Ian Macgowan on 15 August 2019, Council conducted a Supplementary Election. On the conclusion of the Election on 13 December 2019, the District Council of Ceduna comprised the following Elected Members.

Mayor - Perry Will

Councillors - Ian Bergmann (Deputy Mayor)
Joyce Brewster
Paul Brown
Peter Codrington ESM
Anthony Nicholls
Brenton Niemz
Geoff Ryan
Robbie Sleep

Ordinary Council Meetings are held on the 3rd Wednesday of each month, commencing at 3:00pm and members of the public are encouraged to attend.

Elected Members Allowance

In accordance with section 76 of the Local Government Act 1999, allowances payable to elected members are determined by the Remuneration Tribunal of South Australia. In determining the allowances, the allowance for a Councillor is determined, with the Deputy Mayor 1.25 times that of a Councillor whilst the Mayor is 4 times that of a Councillor.

Under the Act allowances are adjusted on the first, second and third anniversaries of periodic elections to reflect changes in the Consumer Price Index (CPI) under a Scheme prescribed by the Regulations.

The Annual Allowances prescribed during 2019/2020, before and after the adjustments made by the Remuneration Tribunal, were as follows:

Elected Member	01/07/2019 – 09/11/2019	10/11/2019 – 30/06/2020
Mayor	\$13,000.00	\$13,484.00
Deputy Mayor	\$ 4,062.50	\$ 4,213.76
Councillor	\$ 3,250.00	\$ 3,371.00

In addition to the above allowances, the Mayor is provided with a mobile phone and reimbursement of necessary expenses whilst performing Council duties. A Travel Time Allowance of \$1672.00 per annum is required to be paid to Elected Members who reside at least 30kms, but no more than 50kms, from Council's principal office. Elected Members are also entitled to reimbursement of expenses incurred in line with official Council business, approved by Council.

Elected Member Training and Development

The Local Government Act, 1999 requires that Council must prepare and adopt a training and development policy for its Elected Members. The Policy is aimed at assisting Elected Members in the performance and discharge of their functions and duties.

Regulation 8AA of the Local Government (General) Regulations 2013 prescribes that a Council training policy must comply with the requirements contained in the LGA Training Standards published in November 2014.

This standard contains the minimum training requirements for Council Members. These requirements are mandatory and every Council Member must complete these requirements within the first 12 months of their four year term.

A number of training and informal workshops were also attended by Elected Members during the year, to provide information and development of members in relation to the following matters:

- Media Training
- Public Interest Disclosure Act
- Freedom of Information Act
- Planning, Development & Infrastructure Act
- Thevenard Marine Offloading Facility
- Development of 2020/2021 Annual Business Plan & Budget

Confidentiality Provisions

Council held twelve (12) ordinary meetings and six (6) special meetings in 2019/2020 where a total of 356 resolutions were made.

Council made fifteen (15) orders during the financial year under the provision of Section 91(7) of the Local Government Act 1999 to maintain confidentiality of matters considered in confidence under the provisions of Section 90 of the Local Government Act 1999, as detailed in the following table

Of the fifteen (15) orders made, nine (9) orders expired, ceased to apply or were revoked during the financial year.

Date	Subject	Section 90(3) paragraph used	Section 91(7) Order	Remains in confidence 30 June 2020
15/07/2019	Ceduna Visitor Information Centre Management Tender	90(3)(d)	Yes	No
30/08/2019	Thevenard Marine Offloading Facility - Construction	90(3)(k)	Yes	No
18/09/2019	Thevenard Marine Offloading Facility – Package 6 (Electrical & Water Services)	90(3)(k)	Yes	No
18/09/2019	Request to Allow Dogs Return to Smoky Bay	90(3)(i)	Yes	Yes
18/09/2019	Council Fuel Card Services	90(3)(b)	Yes	Yes
18/12/2019	Australia Day Awards Judging Panel	90(3)(a)	Yes	No
18/12/2019	Contracts for the Provision of Local Government Business System and Cloud Hosting and Support Services	90(3)(b)	Yes	Yes
19/02/2020	2020 Oysterfest Survey Results	90(3)(a)(b)&(k)	Yes	No
18/03/2020	Ceduna Foreshore Revetment Wall Construction Tender	90(3)(b)	Yes	No
18/03/2020	Bitumen Seal Works	90(3)(b)	Yes	No
18/03/2020	Request to Convert Private Road to Public Road	90(3)(a) & (h)	Yes	Yes
15/04/2020	Staff Requirements	90(3)(b)	Yes	No

17/06/2020	Regional Express Airlines Partnership Agreement	90(3)(b)	Yes	Yes
17/06/2020	Thevenard Marina Facility Fees & Charges	90(3)(b)	Yes	Yes
17/06/2020	Appointment of External Auditor	90(3)(k)	Yes	No

The following table summarises orders made by council under the provisions of Section 91(7) of the Local Government Act 1999, prior to 2019/2020, which remain in confidence at 30 June 2020.

Date	Subject	Section 90(3) paragraph used	Section 91(7) Order	Remains in confidence 30 June 2019
18/11/2015	CEO Annual Performance Review	90(3)(a)	Yes	Yes
17/05/2017	CEO Annual Performance Review	90(3)(a)	Yes	Yes
20/03/2019	CEO Annual Performance Review	90(3)(a)	Yes	Yes

COUNCIL DECISION MAKING AND COMMUNITY ENGAGEMENT

Decision Making Structure of Council

Under the system established by the Local Government Act 1999 (**the Act**), Council is responsible for the government and management of its area at the local level and in particular, established as a representative, informed and responsible decision-maker in the interests of the community.'

The Elected Members are responsible for establishing the strategic objective of the Council and for making significant decisions on community matters. The District Council of Ceduna governs on behalf of the community, setting directions and priorities for the community, particularly through its adopted Strategic Management Plans.

Council meetings and informal gatherings are conducted in accordance with the Act and are open to the public unless otherwise determined.

Senior Management Team

The Chief Executive Officer is responsible for the day to day management of the Council to ensure Council's strategies, decisions, policies and legal obligations are implemented. The Chief Executive has an executive team of three Senior Managers. These Managers are responsible for the organisational functions of Governance (Mark Hewitson), Administration & Finance (Ben Taylor) and Infrastructure & Engineering Services (Chris Wilson).

The role of Council's Senior Management Team is to provide advice to Council on strategies and policy direction, to implement Council decisions and to ensure that Council complies with its statutory obligations. Management and Staff are also responsible for carrying out the regulatory and service roles of the local government body.

Council Staff operate under a system of delegated authority according to their level of training and responsibility. This promotes accountability and allows for the efficient functioning of operational and administrative activities.

Members of the Senior Management Team during the financial year were:

Chief Executive Officer -	Geoffrey Moffatt
Manager Governance -	Mark Hewitson
Manager Administration & Finance -	Ben Taylor
Manager Infrastructure & Engineering -	Chris Wilson

Council's Chief Executive Officer, Manager Governance, Manager Administration & Finance and Manager Infrastructure & Engineering Services are employed under individual employment agreements. Senior Management Team employment contracts include provisions for motor vehicle private use and private mobile telephone use.

Delegations

Councils have certain functions and duties which they are required to perform, and certain powers which they may exercise, pursuant to the Local Government Act 1999 and other Acts. In most cases, these Acts place obligations and powers directly with the Council. It is not practical or efficient for the Elected Members to exercise these powers in the day-to-day administration of the Council's roles and functions. Council formally delegates many of its powers and functions to the Chief Executive Officer, who may then sub-delegate these powers and functions to other responsible officers, pursuant to Sect 44 of the Local Government Act 1999.

Delegations made by the Council can be revoked by the Council at any time and do not, except in limited circumstances, prevent Council from acting in a matter itself. Any Officer to whom a delegation has been made may choose not to exercise that delegation and may direct that matter to Council, for determination.

Council Staff

District Council of Ceduna maintained a workforce of 28 employees within the 2019/2020 financial year.

Council continues to retain a balance of well trained and responsive staff, supplemented by the use of contractors for specialised projects and services. Council has shared service arrangements with the City of Port Lincoln for the provision of statutory building services, and utilise the Environmental Health Officer's services from the Wudinna District Council.

The use of employed staff, contractors and shared service arrangements ensure that Council's objectives are achieved using specialist equipment and skills of contractors where necessary, whilst retaining a core workforce that can respond quickly and efficiently to localised problems and concerns.

Employees are employed under Enterprise Bargaining Agreements. Separate agreements have been established for indoor and outdoor staff, which operate in conjunction with the relevant industrial awards.

Employees undertake appropriate training to ensure they are equipped with knowledge and skills required to service the community efficiently.

Equal Opportunity

Council is an equal opportunity employer and will employ the best person for the role required. Employees attend training courses to improve their skills base and their opportunity for advancement in the Local Government industry.

Council Committees

The District Council of Ceduna has established the following Committees to manage, operate and control certain Council facilities or to advise on or act in areas of Council responsibility. A review of these committees was conducted in 2018.

- Audit Committee
- Australia Day Judging Panel
- Ceduna Aerodrome Emergency Committee (Ceduna-AEC)
- Ceduna Bushfire Management Advisory Committee
- Council Assessment Panel
- Davenport Creek Management Committee
- Strategic Planning & Development Committee
- Water West Advisory Committee

Council Representation Quota

The District Council of Ceduna's representation quota (the number of electors for each Councillor) is 232 (2096 electors).

The District Council of Ceduna has 9 Elected Members, including the Mayor. The following table compares the District Council of Ceduna's representation quota with neighbouring and other comparable councils. The Representation Quota is determined by dividing the total number of electors for the area of the council by the number of members of the Council.

The District Council of Ceduna has been categorised by the Local Government Grants Commission as a Rural Agricultural Medium (RAM) Council. The current representation quotas (Electors per Councillor) in comparison to other Council's within this group are outlined below.

Based on the following table, the number of electors for the area is currently 2,096 giving a representation ratio of 1:232.

Council Electors Elected Members Ratio

Council	Total Members (inc. Mayor)	Number of Electors	Representation Quota
Barunga West	9	1986	220
Ceduna	9	2096	232
Goyder	7	3029	432
Kangaroo Island	10	3510	351

Kingston	8	1841	230
Lower Eyre Peninsula	7	3779	539
Mount Remarkable	7	2145	306
Peterborough	9	1214	134
Southern Mallee	7	1321	188
Tumby Bay	7	1987	283
Yankalilla	9	4262	473

Information provided by the Local Government Association of South Australia July 2020

Periodic Review of Elector Representation

Section 12 of the Local Government Act 1999 requires Councils undertake a review of its Elector Representation as determined by the Minister. In May 2012 the Minister gazetted a schedule of review for all councils. An Elector Representation Review was completed by The District Council of Ceduna in April 2017.

The outcome of the 2017 review saw Council retain its existing structure of:

- No wards;
- Representation levels of:
A Mayor elected by electors; and,
Eight elected members elected from across the council area.

The next Elector Representation Review is scheduled for 2024/2025.

The Process for Elector Representation Reviews

Section 12 of the Local Government Act 1999 sets out the process that councils are required to follow when undertaking an elector representation review. The commencement of the review is triggered by the release of a Representation Options Paper which outlines the representation structures available. The Local Government Act 1999 sets out the requirements for conducting a review as well as setting timeframes to provide opportunity for members of the public to make submissions at key stages of the review.

On completion of the review, the Council must prepare a report on the public consultation undertaken and any proposal that the council considers should be carried into effect. Public consultation is also undertaken at this stage. A final report must be compiled that includes a summary of amendments resulting from any considerations in respect of the public consultation process, with the report then submitted to the Electoral Commissioner for certification. The Electoral Commissioner must determine whether the requirements of the review have been satisfied.

Mandatory Registers and Codes of Conduct and Codes of Practice

Council is required to maintain the following registers and Codes of Conduct or Practice pursuant to the provisions of the Local Government Act 1999, and subordinate Regulations.

Registers

Section 68	Members Register of Interests
Section 79	Members Register of Allowances and Benefits
Section 105	Officers Register of Salaries
Section 116	Officers Register of Interests
Section 188	Fees and Charges
Section 207	Community Land
Section 231	Public Roads
Section 252	By-Laws

Codes

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

Code of Conduct

Council Members	Members Gifts and Benefits Register
Officers	Officers Gifts and Benefits Register

Community Land 2019/2020

Council have adopted Community Land Management Plans for land classified as community land under the Local Government Act 1999.

These plans assist Council with managing issues of risk management, facility provision, inspection, use and maintenance of the land, and other general issues.

By adopting the plans, the public is also offered ongoing protection for their expected continued access to community land.

Community Land Management Plans have been adopted for:

- Ceduna Memorial Hall
- Ceduna Soldiers Memorial Park
- Cemeteries
- Decres Bay Road Coastal Land
- Recreation Facilities (Leased)
- Reserves

Internal Review of Council Actions and Decisions

District Council of Ceduna is committed to transparent decision making processes and to providing access to a fair and objective procedure for the internal review of decisions.

Council Policy 1.17 Review of Decisions, Policy 1.41 Request for Services and Policy 1.49 Complaint Handling have been adopted by Council for this purpose.

Council received and considered one (1) application for Internal Review under the provisions of Section 270 of the Act during 2019/2020.

- Council received an application to review the 2019/20 Boat Ramp Fees for Oyster Growers as the increase was in their opinion too excessive.

As a result of Council's review of the decision, Council resolved to reduce the boat ramp fees for Oyster growers.

Information Statement

Each year Council publishes an Information Statement in accordance with the provisions of the Freedom of Information Act, 1991 and the Local Government Act, 1999. A copy of the most recent statement is available from the Council Office or can be downloaded from Council's website.

Freedom of Information Applications

Council did not receive any formal Freedom of Information applications in the 2019/2020 financial year under the Freedom of Information Act, 1991.

Most information is readily available without recourse to the Freedom of Information Act and you are invited to discuss your information needs with Council's Freedom of Information Officer.

Requests under the Freedom of Information Act 1991 for access to documents in the possession of Council should be accompanied by the relevant application fee and directed in writing to:

Freedom of Information Officer
District Council of Ceduna
44 O'Loughlin Terrace
CEDUNA SA 5690

All general enquiries on Freedom of Information Act should be directed to Council's Freedom of Information Officer on (08) 8625 3407.

Local Nuisance and Litter Control Act and Regulations

Four (4) formal complaints of Local Nuisance or Littering were received by the District Council of Ceduna in the 2019/2020 financial year under the Local Nuisance and Litter Control Act 2017.

Competitive Purchasing of Goods and Services

Council delivers its services in a variety of ways including in-house provision, contract for service, competitive tendering and resource sharing.

Council has a Contracting, Tender and Purchasing Policy which was developed to provide transparency and accountability in purchasing and acquisition of goods and services.

The underlying principal of the Policy is to ensure that Council purchases deliver best value for money taking account of the efficiency of the process and an acceptable level of commercial risk.

Council utilises local providers of goods and services where practicable and offering equivalent value for money at an acceptable level of risk relative to other providers.

National Competition Policy

Council has an obligation under Clause 7 of the National Competition Policy, to include certain relevant information pertaining to the application of competition principles, in its Annual Report. It is as follows:

- Council has determined that it has no 'Significant Business Activities' as defined in Clause 7 statement.
- Council's By Laws were reviewed in 2013 having regard to the competition principles.
- Council has adopted a Complaints Process that encompasses the Principles of Competitive Neutrality.
- No complaints were received for 2018/2019.

STRATEGIC MANAGEMENT PLAN

District Council of Ceduna adopted its current Strategic Plan in 2011, following a comprehensive review of the previous Strategic Plan, involving extensive consultation with target interest groups and the wider community.

The Strategic Plan focuses on the 5 Goals of:

1. Physical infrastructure is improved and developed
2. Our natural environment enhanced, protected and maintained for use by current and future generations
3. Sustainable economic development opportunities identified, vigorously pursued and promoted
4. Open and transparent relationship, improved and sustainable Council services
5. Improved community development services that support community health and wellbeing.

Goal 1 – Physical infrastructure is improved and developed

Scope – Planning, development and maintenance of a built environment with associated infrastructure that supports current and future community and industry needs.

Outcomes

- Improved quantity, supply and quality of water
 - *Continuation of investigations and negotiations for vesting of the Koonibba Water West Scheme in SA Water.*
- Improved roads and infrastructure, transport links, footpaths and walking trails
 - *Renewal and Upgrades of unsealed and sealed road.*
 - *Completion of Rock Gabion on Frayne Tce for improved stormwater management.*
 - *Construction of Ceduna Foreshore revetment wall and improved beach access.*
- Improved town entrance and streetscapes.
 - *Median Upgrades of McKenzie Street, Ceduna*
- Improved public spaces.
 - *Completion of upgrade to Hambidge Street Triangle Park*
 - *Upgrade to Ceduna Memorial Hall entrance*
- Infrastructure that supports marine activities.
 - *Completed construction of Thevenard Marine Unloading Facility.*
 - *Completed replacement of the Smoky Bay Boat Ramp*

Goal 2 – Our natural environment enhanced, protected and maintained for use by current and future generations.

Scope – Management of waste and natural resources to ensure a sustainable land and marine environment.

Outcomes

- No targeted outcomes.

Goal 3 - Sustainable economic development opportunities identified, vigorously pursued and promoted.

Scope - Planning for and support of local industries that provide a strong economic base and increased employment.

Outcomes

- Increased tourism.
 - *Continued operation of Ceduna Visitor Information Centre.*
 - *Continued promotion of Ceduna & surrounding region via Radio, Print and Social Media*
- Existing events support and new events developed.
 - *Continued support and operation of Ceduna Oysterfest.*

Goal 4 - Open and transparent relationships, improved and sustainable Council services.

Scope - Effective communication with the community, productive partnerships with stakeholders and the provision of high quality and efficient Council services.

Outcomes

- Effective communication and consultation with the community and regional partners.
 - *Regular communication provided through council website and social media*
- An integrated approach to planning.
 - *Completed in the planning process to establish a Regional Assessment Panel*
- Effective regulatory services.
 - *Improved animal management programs and dog pound facilities.*
- Effective building, planning and development service.
 - *Provision of Council building, planning and health services through Shared Services arrangements with Port Lincoln, Streaky Bay, Wudinna Councils.*

Goal 5 - Improved community development services that support health and wellbeing.

Scope - Facilities and programs that encourage participation in sport and recreational activities, support the elderly and disabled and contribute to a safer community.

Outcomes

- Effective community development programs.
 - *Provide financial contribution to Ceduna Street Beat services.*
 - *Support annual Ceduna Area School Operation Flinders expedition.*
- A safe community.
 - *Commenced complete reconfiguration of Ceduna CCTV system.*

A comprehensive review of Council's Strategic Management Plan commenced in 2017/2018. Community Consultation of a new Draft Strategic Management Plan is planned for early 2021.

ANNUAL BUSINESS PLAN OUTCOMES – MAJOR PROJECTS

The following works were undertaken in the 2019/2020 year.

Transport Infrastructure

Road Sealing

A small bitumen seal programme was undertaken at the following locations: the Thevenard Marina Facility breakwater causeway, carpark and Slipway Rd; Puckridge boat-ramp car park turnaround lane; race club entrance; water standpipe and the Blues oval entrance. The refuelling apron at the airport was also resealed.

Asphalt replacement work, in conjunction with DPTI, was undertaken at the Thevenard Rd/Davison Rd intersection.

Rural Road Resheeting

Ongoing rural road maintenance across Council's 1700km of road network including capital works to re-sheet or rip and reform sections of the following roads:

- Nunji Rd
- Shell Pit Rd
- Miltaburra Rd
- Decres Bay Rd
- Schwartz Hill Rd
- Carpenter Corner Rd
- Ceduna Sailing Club carpark

Median Strips

The second stage of the Rock Gabion wall along the Thevenard Rd – Frayne Tce median strip was completed.

The first stage of the McKenzie St median upgrade was completed.

Recreation Facilities

Open Spaces

Council improved the Open Spaces in the community by completing the following projects in the 2019-20 year:

- RSL Park - continuation of landscaping and the installation of additional seating.
- Trimming and pruning of the Aleppo Pines along the Ceduna foreshore was completed.
- New fencing was erected around the Waranda historic cemetery.

Ceduna Memorial Hall

The Ceduna Memorial Hall received the following upgrades during the 2019-20 year:

- Western Entrance stairs
- Western Entrance painting

Hambidge Street Park

The landscaping works at the Hambidge Street Park, as outlined in the Thevenard Master Plan was completed.

Council completed the installation of a shelter, bbq and basketball half-court for families to enjoy.

The reuse water-filter and cover for the irrigation system were installed.

Smoky Bay Boat Ramp

The removal of the old floating pontoon was completed at the end of the previous financial year with the installation of the new piles and floating pontoons completed in July.

Business Support

Plant and Equipment Acquisitions

Council arranged the purchase of a new garbage truck in early 2019 which was then delivered late 2019.

Council disposed of the Caterpillar grader.

A major refurbishment of the loader was undertaken.

Environment

Ceduna Foreshore Revetment Wall

The new foreshore rock revetment wall was substantially completed, with final landscaping carried over into the following financial year.

Business Undertaking

Thevenard Marina Offloading Facility

Construction of the Thevenard Marina Facility was substantively completed in 2019/2020, with the completion of the Breakwater, installation of marina pontoons, electrical power and water services and supply and sealing of the causeway, roadways and car park.

Availability for commercial use is anticipated early in 2020/21.

PLANNING & DEVELOPMENT

Council's Development Team undertakes to maintain appropriate development standards and controls within the legal obligations imposed by the Planning, Development and Infrastructure Act 2016, Planning, Development and Infrastructure Regulations 2017, Development Act 1993 and Development Regulations 2008, Council Policies, the District Council of Ceduna Development Plan, the Building Code of Australia and associated Australian Standards.

The Planning system in South Australia is being transitioned to a new system under the Planning, Development and Infrastructure Act 2016, with a transition from a Council-wide Development Plan to a State-wide Planning and Design Code one of the first proposed changes.

Rural Councils including the District Council of Ceduna will commence operations under the PDI Act & Regulations and the statewide Planning & Development Code on 1 July 2020.

Council's aim is to provide an efficient and professional service providing sound advice relating to Planning and Building matters to a range of stakeholders including State Government Agencies, allied professionals, builders/tradespeople, developers and the general public.

Development Statistics

Statistics for 2019/2020 shown in the below table:

Type of Development	Number Approved
Dwelling	7
Dwelling Addition	3
Flats/Units	Nil
Outbuildings (Class 10a)	29
Commercial	9
Industrial	2
Signage	Nil
Land Division	1
Swimming Pool	1
Other	5
TOTAL	57

Council Assessment Panel

As detailed above the Planning, Development and Infrastructure Act 2016 (the **PDI Act**), is a new Act that is progressively replacing the Development Act 1993 which is subject to a staged transition period over several years.

At the commencement of the 2017/2018 year, Stage 1 of this transition was enacted, which required Councils to establish a Council Assessment Panel (**CAP**) to replace existing Council Development Assessment Panels, and to appoint members in accordance with the PDI Act.

A CAP under the PDI Act must consist of no more than five members, only one of which may be an elected member of a Council.

During the 2019/2020 financial year, the Council Assessment Panel comprised the following members up until the conclusion of the Local Government Elections.

Mr Christopher Holland (Presiding Member)

Mr Ken Maynard

Mr Darren Bennett

Mr Michael Lowe (Ceased January 2020)

Councillor Peter Codrington

Council cannot influence or overturn any decision made by the CAP and all CAP Members are required to fulfil their duties in accordance with the CAP Members Code of Conduct, as implemented by the PDI Act.

The CAP has Council Delegated Authority to determine development applications that have been publicly notified or require serious 'Merit' consideration or the application criteria sits outside of Executive Delegation.

The Council Assessment Panel holds its meetings on an as required basis.

The CAP held 1 meeting in the 2019/2020 financial year.

FINANCIAL MANAGEMENT

Financial Performance

District Council of Ceduna operations for 2019/2020 resulted in an Operating Surplus (before Capital Items) of \$0.731 Million, relative to an initial budgeted Operating Deficit of \$1.106 Million.

The upgraded full year Operating result was principally due to the following two financial events being:

1. Payment received in advance of 2019/2020 Financial Assistance Grants of \$1.320 Million in June 2020, treated as income on receipt of funds in 2019/2020
2. Operating Expenditure (excluding Depreciation) \$0.668 Million lower than 2019/2020 original budget, primarily due to COVID-19 shutdowns of facilities, staff vacancies and improved cash management.

Council's adjusted Operating result if the two advance payments were accounted for in 2019/2020 would have resulted in an Operating Surplus of \$0.665 million, \$1.771 million better than initially budgeted.

Capital Expenditure for the full year was \$9.156 Million, which was \$1.333 Million above the budgeted Capital Expenditure of \$7.823 Million, due to delays in construction of the Thevenard Marine Offloading Facility where the construction period extended 6 months further into 2019/2020 than expected.

Council's Net Debts at 30 June 2020 (including cash advance facilities) was \$6.257 Million, which was \$1.883 Million better than initially budgeted principally due to additional cash assets as a result of 2020/2021 advanced Financial Assistance Grants payment and overall improved operating performance of Council for 2019/2020 which resulted in additional cash assets as at 30 June 2020.

Audit Committee

During 2019/20 financial year, the Council Audit Committee comprised the following members:

Mayor Perry Will

Councillor Ian Bergmann

Councillor Ian Macgowan

Dr Steven Milner (Presiding/Independent Member)

Mr Stephen Rufus (Independent Member – Local Government Experience)

Following the resignation of Councillor Ian Macgowan on 15 August 2019, Council appointed Councillor Brenton Niemz to the Committee on 18 September 2019.

Mr Stephen Rufus resigned as an Independent Member on the Committee effective 28 May 2020 and replacement was not appointed prior to 30 June 2020.

Pursuant to Section 126 of the Local Government Act 1999, four meetings were held during 2019/2020.

In accordance with Council's Audit Committee Charter, the independent members receive payments per sitting that are mutually agreed upon between Council and the independent member. Dr Steven Milner received sitting fees of \$600 per meeting and Mr Stephen Rufus received \$250 per meeting.

The functions of the Committee include:

- Reviewing Council's annual financial statements to ensure that they present fairly the state of affairs of the Council.
- Liaising with Council's auditor.
- Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of Council.
- Proposing and providing of information relevant to a review of the Council's strategic management plans or annual business plan.
- Examining and reporting on matters relating to financial management, or the efficiency and economy with which the Council manages or uses its resources.

During 2019/2020, business conducted by the Audit Committee included:

- Reviewing Council's 2018/2019 Statutory Financial Statements and 2018/2019 Audit report.
- Review the effects of 2018/2019 Asset Revaluations on Council's Operating Position.
- Review Council's 2020/2021 Annual Business Plan prior to adoption.

Audit

The District Council of Ceduna's Annual Financial Statements for 2019/2020 were audited by Dean Newbery & Partners, who were appointed as Council's Auditor in May 2015, for a 2 Year term with further extensions totalling 3 years resolved by council in November 2016 & 2017, pursuant to Section 128 of the Local Government Act 1999.

Remuneration paid to Council's Auditors for the provision of Audit Services during 2019/2020 pursuant to Section 129 of the Local Government Act 1999 was \$21,356 plus travel disbursements.

APPENDIX 1

Audited Financial Statements 2019/2020

DISTRICT COUNCIL OF CEDUNA
General Purpose Financial Reports
for the year ended 30 June 2020

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

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year, with the exception of controls related to Strategic Planning and Asset & Infrastructure Management Plans which will be improved during 2020-21
- the financial statements accurately reflect the Council's accounting and other records.



.....
Mr G.M. Moffatt
CHIEF EXECUTIVE OFFICER



.....
Mayor Perry Will
MAYOR

Date: 26 November 2020

DISTRICT COUNCIL OF CEDUNA
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
INCOME			
Rates	2	5,684	5,572
Statutory charges	2	70	64
User charges	2	1,453	1,368
Grants, subsidies and contributions	2	3,271	4,012
Investment income	2	1	26
Reimbursements	2	131	112
Other income	2	149	329
Total Income		10,759	11,483
EXPENSES			
Employee costs	3	2,728	2,842
Materials, contracts & other expenses	3	4,067	4,165
Depreciation, amortisation & impairment	3	3,051	2,980
Finance costs	3	182	143
Total Expenses		10,028	10,130
OPERATING SURPLUS / (DEFICIT)		731	1,353
Asset disposal & fair value adjustments	4	(1,325)	(580)
Amounts received specifically for new or upgraded assets	2	5,270	885
Physical resources received free of charge	2	-	15
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		4,676	1,673
TOTAL COMPREHENSIVE INCOME		4,676	1,673

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

DISTRICT COUNCIL OF CEDUNA

Statement of Financial Position

as at 30 June 2020

		2020	2019
ASSETS	Notes	\$'000	\$'000
Current Assets			
Cash and cash equivalents	5	96	4,515
Trade & other receivables	5	1,263	1,340
Inventories	5	1,024	692
Total Current Assets		<u>2,383</u>	<u>6,547</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	100,121	102,121
Other non-current assets	6	16,699	11,500
Total Non-current Assets		<u>116,820</u>	<u>113,621</u>
Total Assets		<u>119,203</u>	<u>120,168</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,133	5,393
Borrowings	8	289	5,177
Provisions	8	588	690
Total Current Liabilities		<u>3,010</u>	<u>11,260</u>
Non-current Liabilities			
Borrowings	8	4,251	1,658
Provisions	8	355	339
Total Non-current Liabilities		<u>4,606</u>	<u>1,997</u>
Total Liabilities		<u>7,616</u>	<u>13,257</u>
NET ASSETS		<u>111,587</u>	<u>106,911</u>
EQUITY			
Accumulated Surplus		34,927	30,251
Asset Revaluation Reserves	9	76,660	76,660
TOTAL EQUITY		<u>111,587</u>	<u>106,911</u>

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

DISTRICT COUNCIL OF CEDUNA

Statement of Changes in Equity

for the year ended 30 June 2020

		Acc'd Surplus	Asset Rev'n Reserve	TOTAL EQUITY
2020	Notes	\$'000	\$'000	\$'000
Balance at end of previous reporting period		30,251	76,660	106,911
Net Surplus / (Deficit) for Year		4,676	-	4,676
Other Comprehensive Income		-	-	
Balance at end of period	9	34,927	76,660	111,587
2019				
Balance at end of previous reporting period		28,515	76,723	105,238
Net Surplus / (Deficit) for Year		1,673	-	1,673
Other Comprehensive Income				
Share of other comprehensive income - equity accounted Council businesses		63	(63)	-
Balance at end of period	9	30,251	76,660	106,911

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

DISTRICT COUNCIL OF CEDUNA

Statement of Cash Flows

for the year ended 30 June 2020

		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$'000	\$'000
<i>Receipts:</i>			
Rates - general & other		5,734	5,519
Fees & other charges		151	196
User charges		1,486	1,213
Investment receipts		1	59
Grants utilised for operating purposes		3,255	4,012
Reimbursements		140	105
Other revenues		1,636	337
<i>Payments:</i>			
Employee costs		(2,818)	(2,863)
Materials, contracts & other expenses		(5,477)	(4,468)
Finance payments		(194)	(140)
Net Cash provided by (or used in) Operating Activities	11b	3,914	3,970
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		3,055	3,648
Sale of surplus assets		63	-
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(2,788)	(1,192)
Expenditure on new/upgraded assets		(6,368)	(10,067)
Net Cash provided by (or used in) Investing Activities		(6,038)	(7,611)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings		-	4,907
<i>Payments:</i>			
Repayments of borrowings		(2,295)	(252)
Net Cash provided by (or used in) Financing Activities		(2,295)	4,655
Net Increase (Decrease) in cash held		(4,419)	1,014
 Cash & cash equivalents at beginning of period	11a	4,515	3,501
Cash & cash equivalents at end of period	11a	96	4,515

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

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Change in allocation of comparative figures

During the financial year, the Council has reviewed the allocation and classification of some transactions which has been updated in comparative information presented. Changes in classifications has resulted in no change to the previously reported financial performance and position of the Council.

2 The Local Government Reporting Entity

District Council of Ceduna is incorporated under the SA Local Government Act 1999 and has its principal place of business at 44 O'Loughlin Terrace, Ceduna. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

3 Income recognition

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

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

In 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 CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

	Cash Payment Received \$'000	Annual Allocation \$'000	Difference \$ '000	
2017-18	\$2,480	\$2,454	+	\$26
2018-19	\$3,062	\$2,661	+	\$401
2019-20	\$2,495	\$2,430	+	\$65

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

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

3.1 Construction Contracts

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

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

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

6.2 Initial Recognition

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

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to their nominated Superannuation Fund of their choice. Members of The Local Government Superannuation Scheme have two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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 AASB 15 AASB 16 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

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

The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of nil and a decrease to Accumulated Surplus of nil.

AASB 16 Leases, which has commenced from 1 July 2019, requires that the right of use conveyed by leasing contracts except leases with a maximum term of 12 months and leases for low-value assets be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2020, Council has no leases to which this treatment will need to be applied.

13. Provisions for reinstatement, restoration, rehabilitation, etc.

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.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

This provision was reviewed year ending 30 June 2018 by an internal Council staff member and is planned for review during the 2020/2021 financial year. Council plans to engage an external consultant to perform a revaluation of the assumptions & estimates related to the provision for reinstatement, restoration and rehabilitation.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2 - INCOME

	Notes	2020	2019
		\$'000	\$'000
RATES REVENUES			
<u>General Rates</u>		4,422	4,362
Less: Mandatory rebates		(52)	(48)
Less: Discretionary rebates, remissions & write offs		(51)	(76)
		4,319	4,238
<u>Other Rates (including service charges)</u>			
Natural Resource Management levy		174	169
Waste collection		256	245
Water supply		90	88
Community wastewater management systems		822	805
		1,342	1,307
<u>Other Charges</u>			
Penalties for late payment		23	27
		23	27
		5,684	5,572
STATUTORY CHARGES			
Development Act fees		8	11
Town planning fees		29	23
Health & Septic Tank Inspection fees		4	-
Animal registration fees & fines		24	24
Environment control fines		5	-
Other licences, fees, & fines		-	6
		70	64
USER CHARGES			
Cemetery fees		17	15
Aviation Landing Fees and Head Tax		328	490
Sale of Aviation Fuel		12	31
Water Supply		645	500
Boat Ramp Fees		41	35
Commercial Rubbish Collection		75	76
Land and Building Leases		172	169
Sundry		163	52
		1,453	1,368

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2 - INCOME (con't)

	Notes	2020 \$'000	2019 \$'000
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		1	26
		<u>1</u>	<u>26</u>
REIMBURSEMENTS			
- for private works		1	2
- other		130	110
		<u>131</u>	<u>112</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		13	140
Rebates received		29	24
Sundry		107	165
		<u>149</u>	<u>329</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		5,270	885
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		2,496	3,062
Roads to Recovery		671	31
Library & Communications		1	1
Sundry		3	18
Drought Communities Program Funding		100	900
		<u>3,271</u>	<u>4,012</u>
		<u>8,541</u>	<u>4,897</u>
Sources of grants			
Commonwealth government		5,116	931
State government		3,425	3,719
Other		-	247
		<u>8,541</u>	<u>4,897</u>

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2 - INCOME (con't)

	2020	2019
	\$'000	\$'000
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	-	250
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>		
<i>Open Spaces</i>	-	(250)
<i>Subtotal</i>	-	(250)
 <i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>	-	(250)
	-	(250)
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Playgorunds	-	15
TOTAL PHYSICAL RESOURCES RECEIVED	-	15

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

	Notes	2020 \$'000	2019 \$'000
EMPLOYEE COSTS			
Salaries and Wages		2,320	2,447
Employee leave expense		295	397
Superannuation - defined contribution plan contributions	18	221	201
Superannuation - defined benefit plan contributions	18	32	54
Workers' Compensation Insurance		122	114
Less: Capitalised and distributed costs		(262)	(371)
Total Operating Employee Costs		2,728	2,842
Total Number of Employees		28	37
<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		19	22
Bad and Doubtful Debts		32	2
Elected members' expenses		100	94
Election expenses		14	16
Subtotal - Prescribed Expenses		165	134
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,602	1,567
Energy		241	255
Water		543	473
Maintenance		103	93
Legal Expenses		52	41
Levies paid to government - NRM levy		173	172
- Other Levies		121	109
Parts, accessories & consumables		579	689
Professional services		306	285
Sundry		182	347
Subtotal - Other Materials, Contracts & Expenses		3,902	4,031
		4,067	4,165

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE con't

	2020	2019
Notes	\$'000	\$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Structures	427	451
Office Equipment, Fixtures & Fittings	10	5
Infrastructure		
- CWMS	254	248
- Water Supply	249	244
- Roads and Footpaths	1,460	1,421
- Aerodrome	182	181
- Playgrounds	21	19
- Stormwater	12	12
- Other	231	179
Plant, Machinery & Equipment	166	181
Reinstatement costs	39	39
	3,051	2,980
FINANCE COSTS		
Interest on Loans	182	143
	182	143

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2020	2019
Notes	\$'000	\$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold/disposed	-	290
Gain (Loss) on disposal	-	(290)
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	63	-
Less: Carrying amount of assets sold/disposed	1,388	290
Gain (Loss) on disposal	(1,325)	(290)
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 (1,325)	 (580)

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - CURRENT ASSETS

	Notes	2020 \$'000	2019 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		96	50
Deposits at Call		-	4,465
		<u>96</u>	<u>4,515</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		503	483
Rates postponed for State Seniors		-	-
Accrued Revenues		6	80
Debtors - general		318	422
GST Recoupment		29	334
Prepayments		185	15
Sundry		310	96
Total		<u>1,351</u>	<u>1,430</u>
Less: Allowance for Doubtful Debts		<u>(88)</u>	<u>(90)</u>
		<u>1,263</u>	<u>1,340</u>
INVENTORIES			
Stores & Materials		<u>1,024</u>	<u>692</u>
		<u>1,024</u>	<u>692</u>

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6 - NON-CURRENT ASSETS

	2020		2019
	\$'000		\$'000
OTHER NON-CURRENT ASSETS		Notes	
Inventories			
Capital Works-in-Progress	<u>16,699</u>		<u>11,500</u>
	<u>16,699</u>		<u>11,500</u>

Capital Works-in-Progress includes \$16.097 million for the construction of the Thevenard Marine Offloading Facility project. This project was completed in July 2020

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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

	Fair Value Level	2019 \$'000				2020 \$'000			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	2	18,683	303	-	18,986	18,210	511	-	18,721
Buildings & Structures	3	16,384	612	(7,741)	9,255	11,788	3,845	(7,560)	8,073
Office Equipment, Fixtures & Fittings	2	-	134	(48)	86	-	161	(58)	103
Infrastructure									
- CWMS	2	15,027	592	(5,151)	10,468	15,027	598	(5,405)	10,220
- Water Supply	3	19,644	297	(5,079)	14,862	19,644	299	(5,328)	14,615
- Roads and Footpaths	3	48,373	4,436	(16,701)	36,108	48,373	5,437	(18,161)	35,768
- Aerodrome	3	5,457	33	(1,830)	3,660	5,457	41	(2,012)	3,486
- Playgrounds	3	633	62	(376)	319	633	62	(397)	298
- Stormwater	3	1,783	116	(474)	1,425	1,783	116	(486)	1,413
- Other	3	2,206	3,969	(1,960)	4,215	1,840	4,451	(1,928)	4,317
Plant, Machinery & Equipment		-	4,219	(1,779)	2,440	-	4,494	(1,872)	2,622
Software & IT		-	-	-	-	-	227	-	227
Reinstatement costs		-	375	(78)	297	-	375	(117)	258
Total IPP&E		128,190	15,148	(41,217)	102,121	122,755	20,617	(43,324)	100,121
<i>Comparatives</i>		129,628	12,114	(39,124)	102,618	128,190	15,148	(41,217)	102,121

This note continues on the following pages.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR							2020	
	\$'000	\$'000							\$'000	
	Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
New / Upgrade		Renewals	In				Out			
Land	18,986	-	-	(265)	-	-	-	-	-	18,721
Buildings & Structures	9,255	17	179	(951)	(427)	-	-	-	-	8,073
Office Equipment, Fixtures & Fittings	86	2	25	-	(10)	-	-	-	-	103
Infrastructure										
- CWMS	10,468	-	6	-	(254)	-	-	-	-	10,220
- Water Supply	14,862	-	2	-	(249)	-	-	-	-	14,615
- Roads and Footpaths	36,108	396	724	-	(1,460)	-	-	-	-	35,768
- Aerodrome	3,660	-	8	-	(182)	-	-	-	-	3,486
- Playgrounds	319	-	-	-	(21)	-	-	-	-	298
- Stormwater	1,425	-	-	-	(12)	-	-	-	-	1,413
- Other	4,215	114	322	(103)	(231)	-	-	-	-	4,317
Plant, Machinery & Equipment	2,440	28	389	(69)	(166)	-	-	-	-	2,622
Software & IT	-	227	-	-	-	-	-	-	-	227
Reinstatement costs	297	-	-	-	(39)	-	-	-	-	258
Total IPP&E	102,121	784	1,655	(1,388)	(3,051)	-	-	-	-	100,121
Comparatives	102,618	1,692	1,371	(580)	(2,980)	-	-	-	-	102,121

This note continues on the following pages.

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

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

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

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

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

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

District Council of Ceduna

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

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

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

Office Furniture & Equipment	\$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	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$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 25 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	50 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 100 years
Reticulation Pipes – other	25 to 100 years
Pumps & Telemetry	15 to 25 years

District Council of Ceduna

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

Note 7 (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 at fair value from revaluation as at 30 June 2016 by Peta Mantzarapis of Maloney Field Services. No capitalisation threshold is applied to the acquisition of land or interests in land. All acquisitions made after the date of valuation have been recorded at cost.

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2016 Peta Mantzarapis of Maloney Field Services.

Infrastructure

Transportation assets (including Footpaths & Kerbing) valuation performed by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2018, independently reviewed by Tonkin Consulting as at 30 June 2015. All transportation asset acquisitions made during the reporting period are recorded at cost.

Stormwater drainage infrastructure valuation performed by Council officers as at 30 June 2018 at depreciated current replacement cost, independently reviewed by Tonkin Consulting as at 30 June 2015.

Water West & Community Wastewater Management System infrastructure valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2018, based revaluation performed by Tonkin Consulting as at 30 June 2015. All acquisitions made after the date of valuation have been recorded at cost.

Playgrounds were revalued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June 2016. All acquisitions made after the date of valuation have been recorded at cost.

Aerodrome Infrastructure valued by Jones Lang Lasalle at written down current replacement costs during the reporting period 30 June 2017. All acquisitions made after the date of valuation have been recorded at cost.

Other Assets including Boat Ramp Facilities, Attachments to Jetties and Open Spaces infrastructure (not listed under Playgrounds) were revalued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June 2016. All acquisitions made after the date of valuation have been recorded at cost.

Office Equipment, Fixtures & Fittings

These assets are recognised at cost.

Plant, Machinery & Equipment

These assets are recognised at cost.

Software & IT

These assets are recognised at cost.

Reinstatement Costs

These assets are recognised at cost.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - LIABILITIES

	Notes	2020		2019	
		Current	Non-current	Current	Non-current
		\$'000		\$'000	
TRADE & OTHER PAYABLES					
Goods & Services		105		50	
Payments received in advance		1,018	-	3,064	-
Accrued expenses - employee entitlements		17	-	19	-
Accrued expenses - other		962	-	2,238	-
Deposits, Retentions & Bonds		9	-	9	-
Other Payables		22	-	13	-
		<u>2,133</u>	<u>-</u>	<u>5,393</u>	<u>-</u>
BORROWINGS					
Loans		289	4,251	5,177	1,658
		<u>289</u>	<u>4,251</u>	<u>5,177</u>	<u>1,658</u>
PROVISIONS					
Annual Leave (Including Oncosts)		236	-	237	-
Long Service Leave (Including Oncosts)		323	50	424	34
Future reinstatement / restoration, etc		29	305	29	305
		<u>588</u>	<u>355</u>	<u>690</u>	<u>339</u>
Movements in Provisions - 2020 year only					
<i>(current & non-current)</i>					
<i>Opening Balance</i>		<i>Future Reinstatement</i>			
		334			
<i>Additional amounts recognised</i>					
<i>(Less) Payments</i>					
<i>Closing Balance</i>		<u>334</u>			

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2019	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2020
Notes	\$'000	\$'000	\$'000	\$'000
Land	15,845	-	-	15,845
Buildings & Other Structures	5,636	-	-	5,636
Infrastructure				
- CWMS	6,941	-	-	6,941
- Water Supply	14,219	-	-	14,219
- Roads & Footpaths	28,322	-	-	28,322
- Aerodrome	3,153	-	-	3,153
- Playgrounds	20	-	-	20
- Stormwater	1,232	-	-	1,232
- Other	1,292	-	-	1,292
TOTAL	76,660	-	-	76,660
Comparatives	76,723	-	(63)	76,660

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 CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

CASH & FINANCIAL ASSETS	Notes	2020 \$'000	2019 \$'000
Unexpended amounts received from Federal Government		-	2,897
State Government (SABFAC SBay Boat Ramp Funding)		190	-
Drought Communities Programme		500	-
Coastal Protection Grant		256	-
		<u>946</u>	<u>2,897</u>
RECEIVABLES			
Water West Scheme		184	262
CWMS		79	73
		<u>263</u>	<u>335</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>1,209</u>	<u>3,232</u>

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	5	<u>96</u>	<u>4,515</u>
Balances per Cash Flow Statement		<u>96</u>	<u>4,515</u>

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

Net Surplus (Deficit)		4,676	1,673
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		3,051	2,980
Net increase (decrease) in unpaid employee benefits		84	3
Change in allowances for under-recovery		(2)	(8)
Non-cash asset acquisitions		-	(15)
Grants for capital acquisitions treated as Investing Activity		(3,055)	(3,648)
Net (Gain) Loss on Disposals		<u>1,325</u>	<u>580</u>
		6,079	1,565
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		79	(418)
Net (increase) decrease in inventories		(332)	109
Net increase (decrease) in trade & other payables		<u>(1,912)</u>	<u>2,714</u>
Net Cash provided by (or used in) operations		<u>3,914</u>	<u>3,970</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical resources received free of charge	2	<u>-</u>	<u>15</u>
Amounts recognised in Income Statement		<u>-</u>	<u>15</u>
Estimated future reinstatement etc. costs		<u>-</u>	<u>(17)</u>
		<u>-</u>	<u>(2)</u>

(d) Financing Arrangements

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

Bank Overdrafts	100	100
Corporate Credit Cards	8	10
LGFA Cash Advance Debenture facility	9,250	4,907

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 12 - FUNCTIONS

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

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Business Undertakings	1,664	1,461	1,655	1,709	9	(248)	5,270	200	48,810	45,261
Community Services	75	84	494	492	(419)	(408)	-	-	3,867	5,301
Culture	3	3	169	162	(166)	(159)	1	1	2,039	2,062
Economic Development	105	94	554	532	(449)	(438)	3	22	525	627
Environment	549	507	869	878	(320)	(371)	-	1	3,011	2,451
Recreation	38	20	816	754	(778)	(734)	-	382	9,735	9,617
Regulatory Services	76	71	180	134	(104)	(63)	-	-	-	347
Transport	1,686	1,909	2,486	2,702	(800)	(793)	1,169	1,455	41,749	42,705
Plant hire & Depot/Indirect	29	51	769	682	(740)	(631)	-	-	3,455	3,298
Council Administration	6,534	7,283	2,036	2,085	4,498	5,198	2,098	2,836	6,012	8,499
TOTALS	10,759	11,483	10,028	10,130	731	1,353	8,541	4,897	119,203	120,168

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

Note 12 (con't) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Marinas/Boat Havens, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic.

Community Services

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

Culture

Library Services, Cultural Venues and Other Cultural Services.

Economic Development

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

Environment

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

Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Swimming Centres – Outdoor, and Other Recreation.

Regulatory Services

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

Transport

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

Plant Hire & Depot

Council Administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Information Technology, Rates Administration, Records, Occupancy, Other Support Services and LGGC – General Purpose.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13 - 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 between 1.00% and 0.25%.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated 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: Secured over the subject land, arrears attract interest of 10.5% (2019: 5.35%) 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>
Receivables - other levels of government	<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: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>

DISTRICT COUNCIL OF CEDUNA

Notes to and forming part of the Financial Statements

Note 13 - FINANCIAL INSTRUMENTS (con't)

Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.
Liabilities - Interest Bearing Borrowings	Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 2.25% and 8.25% (2019: 5.95% and 7.90%) Carrying amount: approximates fair value.

DISTRICT COUNCIL OF CEDUNA

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	96	-	-	96	96
Receivables	618	460	-	1,078	1,078
Total	714	460	-	1,174	1,174
Financial Liabilities					
Payables	831	323	-	1,154	1,154
Current Borrowings	627	-	-	627	289
Non-Current Borrowings	-	2,383	3,048	5,431	4,251
Total	1,458	2,706	3,048	7,212	5,694
2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	4,515	-	-	4,515	4,515
Receivables	737	603	-	1,340	1,340
Total	5,252	603	-	5,855	5,855
Financial Liabilities					
Payables	3,135	-	-	3,135	3,136
Current Borrowings	5,305	-	-	5,305	5,177
Non-Current Borrowings	-	1,524	804	2,328	1,658
Total	8,440	1,524	804	10,768	9,971

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Other Variable Rates	2.20	2,881	3.35	4,907
Fixed Interest Rates	6.80	1,658	6.81	1,928
		4,539		6,835

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13 - 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 CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14 - COMMITMENTS FOR EXPENDITURE

	2020	2019
	Notes	
	\$'000	\$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Thevenard Marine Offloading Facility	-	3,326
	-	3,326
	-	3,326
These expenditures are payable:		
Not later than one year	-	3,326
	-	3,326
	-	3,326

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15 - FINANCIAL INDICATORS

	2020	2019	2018
Operating Surplus Ratio			
<u>Operating Surplus</u>	6.8%	11.8%	10.3%
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>	58.16%	64%	0%
Total Operating Income			

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

Adjustments to Ratios

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

<i>Adjusted Operating Surplus Ratio</i>	6.2%	12.1%	10.1%
<i>Adjusted Net Financial Liabilities Ratio</i>	71%	75%	12%

Asset Renewal Funding Ratio

<u>Net Outlays on Existing Assets</u>	91%	40%	114%
Councils Annual Depreciation			

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

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 16 - 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

	2020		2019
	\$'000		\$'000
Income	10,759		11,483
Expenses	<u>(10,028)</u>		<u>(10,130)</u>
Operating Surplus / (Deficit)	731		1,353
 Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	(2,788)		(1,192)
Add back Depreciation, Amortisation and Impairment	3,051		2,980
Proceeds from Sale of Replaced Assets	<u>63</u>		<u>-</u>
	326		1,788
 Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(6,368)		(10,067)
Amounts received specifically for New and Upgraded Assets	3,055		3,648
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>		<u>-</u>
	(3,313)		(6,419)
Net Lending / (Borrowing) for Financial Year	<u>(2,256)</u>		<u>(3,278)</u>

DISTRICT COUNCIL OF CEDUNA

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 17 - OPERATING LEASES

Council as a Lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Investment Property:

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2020	2019
	\$'000	\$'000
Not later than one year	152	152
Later than one year and not later than 5 years	544	544
Later than 5 years	700	700
	<u>1,396</u>	<u>1,396</u>

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

Note 18 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

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

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis 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 Ceduna
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

**Note 19 – CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT
OF FINANCIAL POSITION**

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,715 km of road reserves of average width 20 metres.

2. OPERATIONAL PERIOD OF NATIONAL STRONGER REGIONS FUNDING

Council is in receipt of \$4.828M in funding from the Federal Government under the National Stronger Regions Fund for the construction of the Thevenard Marine Offloading Facility. As at 30 June 2020, the capital construction was substantially completed, however final certificate of practical completion had not been reached. In accordance with AASB1058 \$4.345M in funding received to 30 June 2020, has been treated as Income for New or Upgraded Assets.

In accordance with the terms of the funding deed, Council as the funding recipient is required to operating the facility for a period of five (5) years following practical completion. In the event that operational capacity is not maintained for five (5) year, Council may be required to repay some or all of the \$4.828M in funding received for the project.

DISTRICT COUNCIL OF CEDUNA
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 20 - 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, 13 persons were paid the following total compensation:

	2020	2019
	\$'000	\$'000
Salaries, allowances & other short term benefits	652	668
Post-employment benefits	73	78
Long term benefits	10	7
Termination benefits		-
TOTAL	735	753

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

	2020	2019
	\$'000	\$'000
Planning and building applications fees	1	-
Sponsorship of Council Events	-	3
TOTAL	1	3

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs manage a council run facility. Total management fees paid by council for the year ended 30 June 2020 were \$135,826. The awarding of management contract was via open tender and in accordance with Council's Tenders & Purchasing Policy.

One close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act* 1999.

Key management personnel or close family members (including related parties) lodged a total of one planning and building application during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the District Council of Ceduna

Opinion

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

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

Basis for Opinion

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

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

Council's Responsibility for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 27th day of November 2020,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE DISTRICT COUNCIL OF CEDUNA

Opinion

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

Basis for opinion

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

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

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

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

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

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

Limitation on Use

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

Limitations of Controls

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

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'SC', with a large loop at the start and a long horizontal stroke at the end.

**SAMANTHA CRETEN
PARTNER**

Signed on the 27th day of November 2020
at 214 Melbourne Street, North Adelaide, South Australia, 5006

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

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Ceduna for the year ended 30 June 2020, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



.....
Mr G.M. Moffatt
CHIEF EXECUTIVE OFFICER



.....
Dr S Milner
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 27 November 2020

Certification of Auditor's Independence

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

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



SAMANTHA CRETEN

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 27th day of November 2020

APPENDIX 2

Regional Subsidiary Report 2019/2020 Eyre Peninsula Local Government Association

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION



ANNUAL REPORT



2019-20

Authors:

Peter Scott

Executive Officer

Eyre Peninsula Local Government Association

Sue Henriksen

Business Support Officer

Regional Development Australia Eyre Peninsula Inc.

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



THE PRESIDENT'S REPORT

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

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

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

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

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

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

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

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



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

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

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

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

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

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

The EPLGA is a vital conduit between its member councils and the LGA of SA, with the potential for close collaboration to help deliver outcomes for our communities.

The communication with both State and Federal governments will also be very important, with the need to maximise funding and partnership opportunities.

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

MAYOR SAM TELFER

PRESIDENT – EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION



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

AREA

11 council areas

234,937 km²

POPULATION

Number of residents (ABS ERP 2019)

57,805

ECONOMY

Gross Regional Product (NIEIR)

\$3.35 billion

JOBS

Local jobs (NIEIR)

21,949 FTE

LOCAL EMPLOYMENT

Employed residents (NIEIR June 2019)

26,375

WELL-BEING

Median weekly household income (ABS 2016)

\$1,081

BUSINESS

Registered Businesses

5,134





Residential Population

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION (2019 ABS ERP)	
	Km 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	

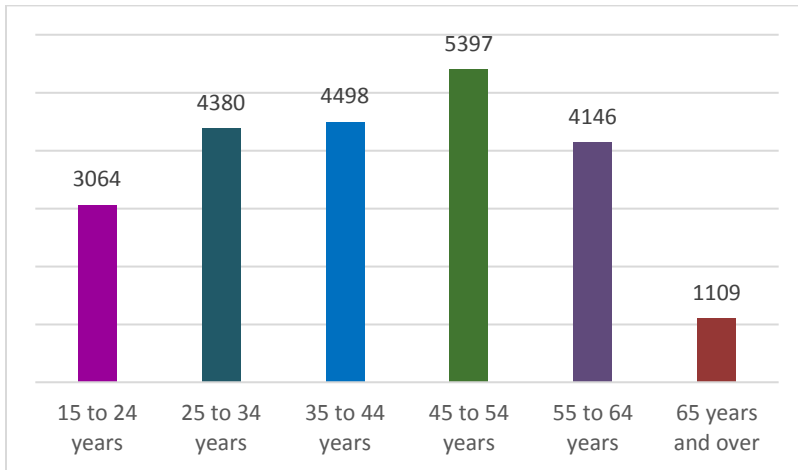
Population Summary

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.

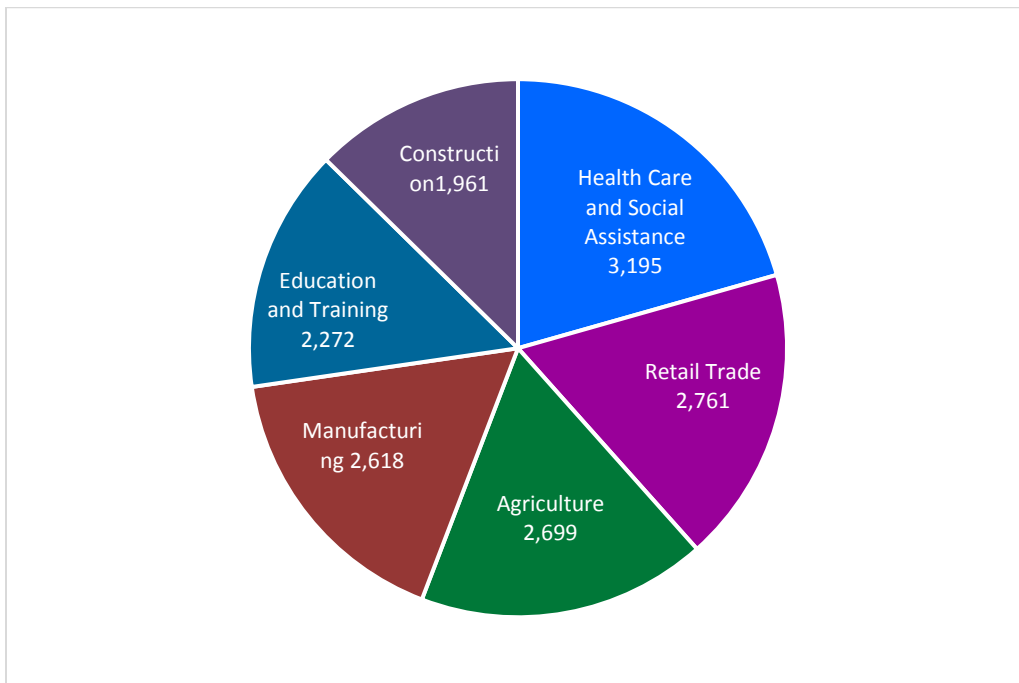
The median age of Eyre Peninsula residents is 42, compared to 45 in regional SA, 40 in South Australia and a median age of 38 in Australia.



Local Workers Age Structure

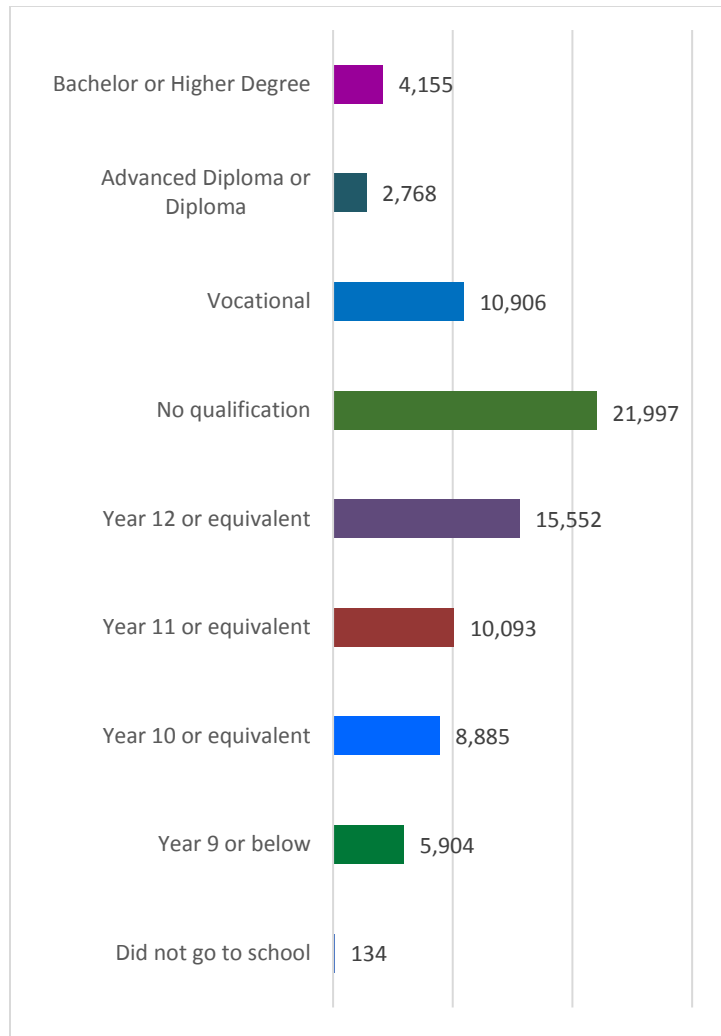


Top 6 Employing Industries





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)

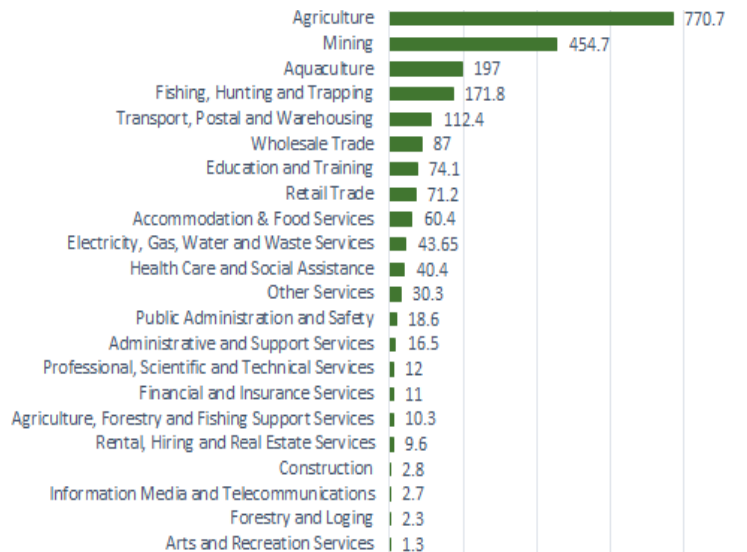
	Whyalla	Port Lincoln	Ceduna	Cleve	Elliston	Franklin Harbour	Kimba	Lower EP	Streaky Bay	Tumby Bay	Wudinna	LGA Totals	Region Totals
Manufacturing	897.9	76	3.1	4.7	1.1	1.2	0.2	5.3	7.4	1.9	1.5	1000.3	1,001
Agriculture	0.2	3.3	47.7	113	59.7	20.4	74.4	147.7	78.1	128.2	90.3	763	770.7
Mining	382.1	6.4	16.4	0	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.

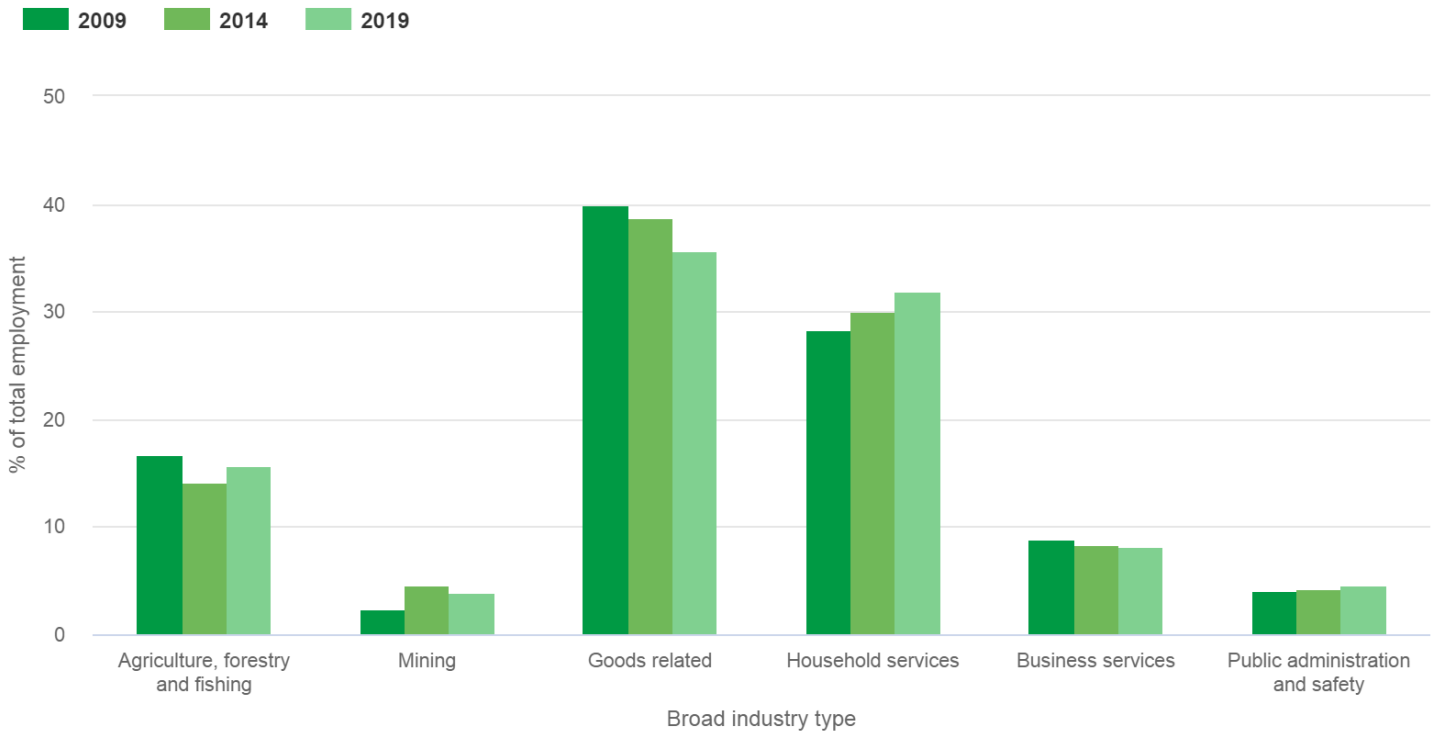
Agriculture –\$770.7 million.

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%).

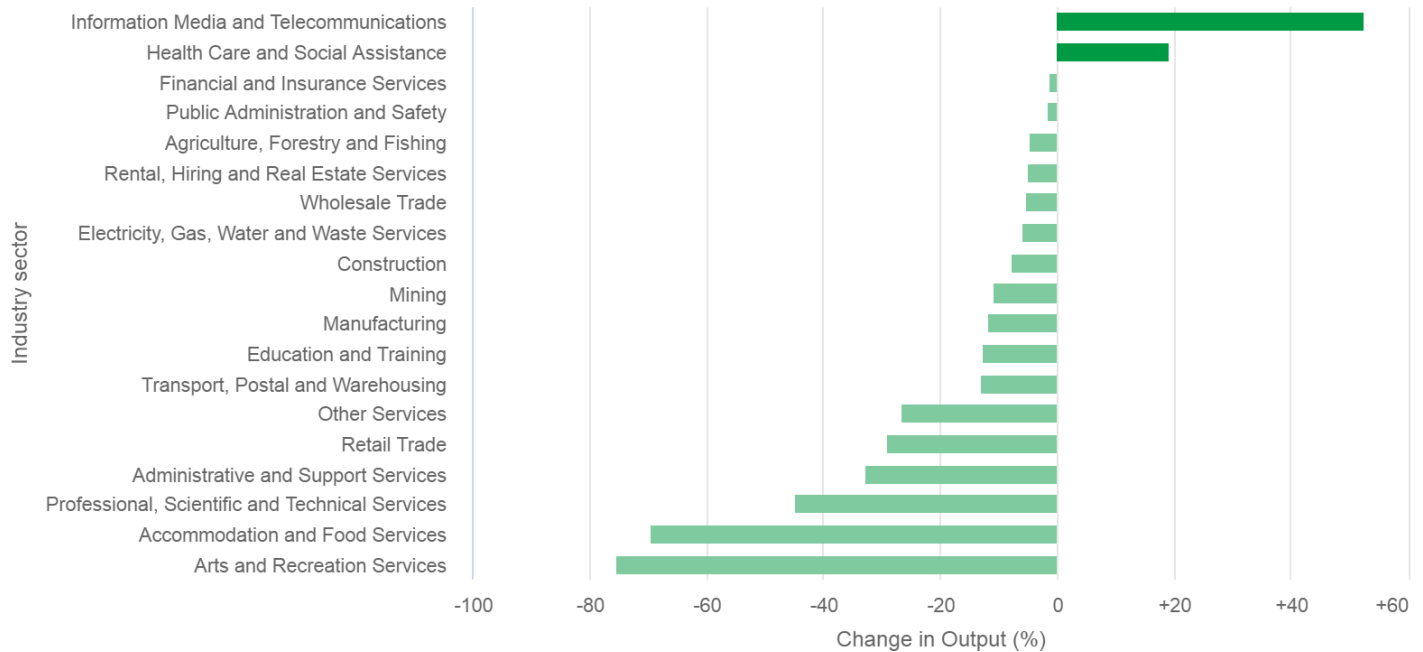
From 2018 – 2019, the total number of registered businesses declined by 114 with the biggest declines in the Rental, Hiring and Real Estate Services (-23%) and, Financial and Insurance Services industries (-20%). Increases in businesses services were mostly in the Mining (+12%), Manufacturing (+7%),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



COVID ECONOMIC OUTLOOK

Output impact in June Quarter 2020

(compared to 2018/19 quarter average)



Headline Estimates:

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

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

Top 3 Sector Impacts (excluding JobKeeper)

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



MEMBER COUNCILS 2019/2020

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



THE LOCAL GOVERNMENT REPRESENTATIVES/ APPOINTMENTS

EPLGA Board Executive:

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 Claire 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.

EPLGA Health Working Party

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

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

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

Other Regional Organisations:

Regional Development Australia Eyre Peninsula Inc:

Cr Bryan Trigg , Chair/Executive - DC Cleve

Zone Emergency Management Committee:

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

Eyre Peninsula Integrated Climate Change Sector Agreement Steering Committee:

Peter Scott, Executive Officer - EPLGA

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

Peter Scott, Executive Officer - EPLGA

Eyre Peninsula Water Taskforce:

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

EPLGA Board Members 2018/19

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



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)	Faye Davis (D/Mayor)
Streaky Bay	Travis Barber (Mayor)	Philip Wheaton (D/Mayor)
Tumby Bay	Sam Telfer (Mayor)	Robert Randall (D/Mayor)
Whyalla	Clare McLaughlin (Mayor)	Rick Santucci (D/Mayor)
Wudinna	Eleanor Scholz (Mayor)	Ned Luscombe (D/Mayor)



ANNUAL CONFERENCE AND BOARD MEETINGS SCHEDULE

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

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



REPORT OF ACTIVITIES 2018/19

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

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



PLANS, PROGRAMS AND REPORTS – CURRENT STATUS

CORPORATE PLAN 2016 – 19

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

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

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

The Corporate Plan will be updated in 2020.

MANAGEMENT PLAN PERFORMANCE FOR 2019 – 20

Goal Area 1.1 Advocacy and Representation

Core Activities

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

Comments:

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

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

Strategic Actions

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



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

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

Goal Area 1.2 Governance

Core Activities

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

Comments:

Compliance met.

Strategic Actions

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

Comments:

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

Goal Area 1.3 Member Services

Core Activities

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

Comments:

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

Strategic Actions

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



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

Comments:

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

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

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

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

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

KEY PERFORMANCE INDICATORS

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

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



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

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

USE OF FINANCIAL RESOURCES

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

31st August, 2020

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

Dear Peter,

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

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

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

Having completed the Audit we now make the following comments:

Internal Controls

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

Taxation & Superannuation Liabilities

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

Yours faithfully,


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



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

Dear Tony,

Report of the Auditor of _____ Eyre Peninsula Local Government Association _____
(name of Council/organisation)

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

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

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

Yours sincerely,

Signature of the Auditor: _____

Date: _____ 31/08/2020 _____

Name of Firm: _____ Gill Penfold Kelly _____

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

CONTENTS

Statement of Income & Expenditure

Balance Sheet

Notes to the Accounts

Board Certificate

Audit Report

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2020 2019

\$ \$

NOTE 2 - Grants Received

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

NOTE 3 - Project Income - EP Councils

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

NOTE 4 - Membership Fees

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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

NOTE 5 - Project Expenditure

Unspent Funds at 1 July	-	3,169
Coastal	(171,619)	(10,801)
Regional Committees Support	2,000	-
Forums & Conferences	7,534	8,247
Governance & Planning Reform	600	-
Emergency Management Planning	1,000	-
Mining Taskforce	-	3,781
CORES EP	-	495
Regional Governance-JPB Pilot	-	2,276
Regional Planning - General	24,930	1,779
Regional Transport Strategy	11,168	-
Tourism/Signage/Promotions	44,640	28
Unspent Funds at 30 June	20,105	-
	<u>269,900</u>	<u>171,619</u>
	<u>\$ 210,258</u>	<u>\$ 180,593</u>

NOTE 6 - Cash at Bank

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

NOTE 7 - Sundry Creditors

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

NOTE 8 - Unspent Project Funds

Regional Capacity Building	<u>\$ 269,900</u>	<u>\$ 171,619</u>
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NOTE 9 - Prov'n for Long Service Leave

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION


BOARD CERTIFICATE

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

The Board of the association declares that:

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

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

signed		
position	<u>PRESIDENT</u>	<u>Executive Officer.</u>

Dated this 4th day of Sept 2020

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 2020.

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

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

Auditor's responsibility

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

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

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

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

Auditor's opinion

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

Gill Penfold Kelly Pty Ltd



Gregory S Nicholls
31st August 2020
4 Tasman Terrace, Port Lincoln SA 5606