



2019-20

annual report



contents

05 vision
and values

06 key
achievements

08 map of the district
& council members

11 community profile
& population

14 annual business plan
performance measures

33 community
wellbeing

41 economic
prosperity

45 the urban
environment

51 the natural environment
& sustainable living

55 governance
and leadership

71 financial
statements





vision

The Mount Barker district will be recognised as being highly liveable, prosperous and safe, built from a foundation of community spirit and energy, quality of lifestyle and unique heritage, environment and landscape.

values

Accessibility

Ready to listen to ideas and concerns of the individuals, groups or institutions and respond with straightforward answers.

Commitment

Working hard to deliver appropriate and quality services and projects and build resilient communities.

Involvement

Decision making processes are transparent and open to community scrutiny. Individuals and communities can be involved in influencing policies and local activities.

Fairness

All people working, living and visiting the Mount Barker District make this a rich community and we aim to represent them equally.

Resourcefulness

Making the most of Council and community assets and strengths and building on local resources by attracting investment from outside the District.

Long term thinking to inform decision making

Council will consider all the consequences of decisions and ensure they reflect the Strategic Plan. We need to act for now and the future. Council will have regard to the long term and cumulative effects of its decision.

key achievements

- 01 Regional sports hub on Springs Road, Mt Barker – construction of premier oval, 2 soccer pitches, amenities buildings, car parks, entrance and internal road, bulk earthworks and civil infrastructure has progressed significantly since the commencement of physical works in late 2019 with completion forecast for late 2020/early 2021 and a governing Board in place in June 2020.
- 02 850 mega litres of recycled water were supplied to customers from the council's wastewater treatment plant on Springs Road in Mount Barker, with uses ranging from the irrigation of playing fields to the processing of extracted minerals.
- 03 Wastewater Collection Infrastructure construction including new collection trunk mains (big pipes!) required to provide the Mount Barker growth area with a full sewer service and the Littlehampton Gravity Main.
- 04 The Mt Barker Community Library (Dumas Street) redevelopment was completed and includes a new entrance, customer service desks and redesigned computer room, local history centre and toy library all at a cost of less than \$500,000 to Council.
- 05 6,273 children and youth participated in activities and events.
- 06 Tourist Park's new Executive Cabin was completed, in addition to upgrades to the Reception Area.
- 07 \$618k was spent on new footpaths/trails and footpath renewals across the District.

08

1,209 people received home and community care services, including 11,058 hours of practical support and 6,867 transport trips through Hills Community Transport and more than 300 hours of digital literacy training delivered to residents by the Be Connected program, aimed at over 50's.

09

Hahndorf Christmas events saw approx. 27,000 people attend a range of markets including the popular Hahndorf Christkindlmarkt along with the Main street full of Christmas festivities with activities, displays and carols.

10

Undergrounding of power lines in Meadows including removing stobie poles and overhead power lines and installing underground power cables and street lights.

11

Environmental Services Centre and Community Storage facilities located near the Laratinga Wetlands include the site for the new Works Depot, the site of the Mt Barker Men's Shed and a state of the art function centre available for hire.

12

New Development Zone for Totness for Industry/Employment approved by the Minister for Planning.

13

Completion of 5 township plans including Macclesfield, Echunga, Meadows, Callington, and significantly Brukunga / Harrogate with specific integration of Bushfire recovery and resilience actions.

14

Processed and approved \$181m worth of development across 1,215 development applications, \$133m of which relates to dwelling approvals.

15

Environment initiatives including adoption of Climate Change Action Plan; community tree planting (National tree day and school plantings – 14,000 plants); Weeds of National Significance and Sustainable Living Mt Barker programs and; Emerald Quarry rehabilitation works.

16

Cudlee Creek Bushfire and COVID pandemic response and recovery activities including road clearing, water carting, waste removal, tree assessment and maintenance, providing facilities for emergency services and COVID-19 compliance monitoring conducting over 1,000 inspections; implementing multiple service modifications and hardship arrangements.

map of the district



council members



Mayor Ann Ferguson
OAM, FAICD, JP

North Ward



Cr Narelle Hardingham



Cr David Leach

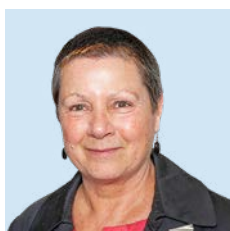


Cr Harry Seager



Cr Simon Westwood

South Ward



Cr Tess Minett



Cr Greg Morrison

Central Ward



Cr Carol Bailey, BEM



Cr Ian Grosser



Cr Samantha Jones



Cr Bradley Orr



community profile and population

Council's estimated resident population in 2019 was 36,571, with a population density of 0.61 persons per hectare.

The Council's population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between 2016 and 2036.

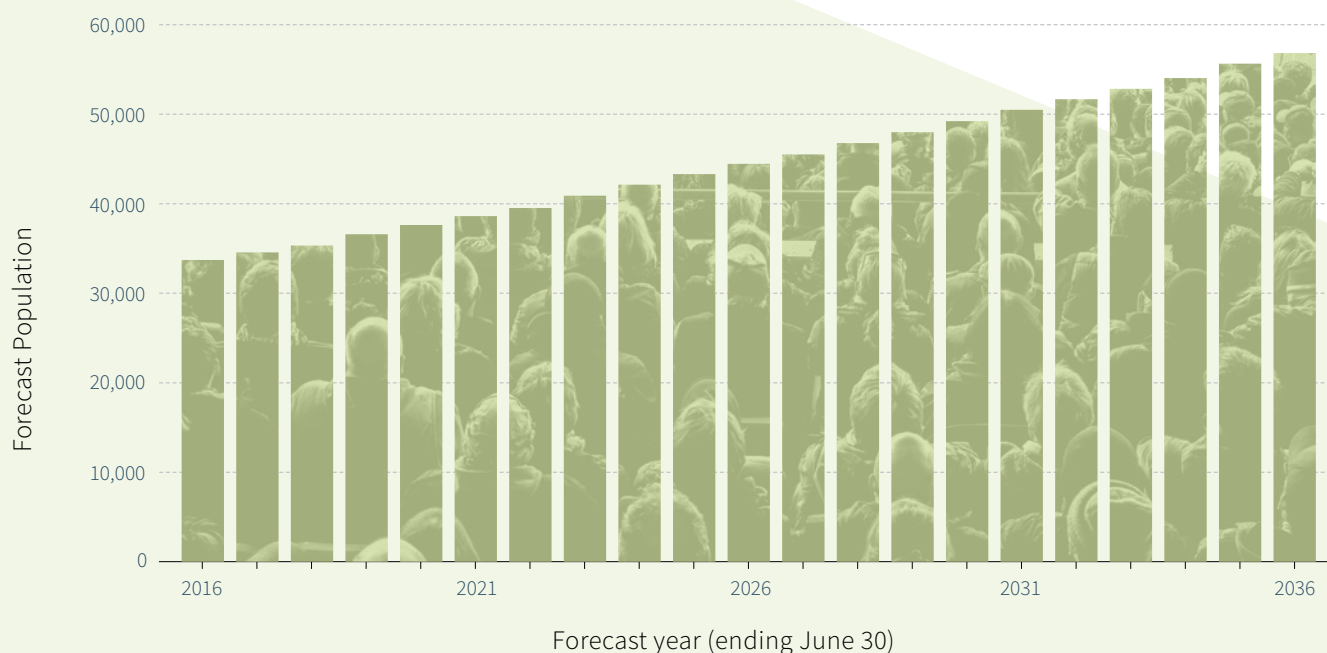
The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

The Council's population forecast for 2020 is 37,481, and is forecast to grow to 56,710 by 2036. These forecasts were last updated in November 2017 by .id, the population experts, on behalf of the Mount Barker District Council.

Forecasts are available for each year from 2016 to 2036. Further information is available on Council's website, enabling the resident and business community to access and utilise this information.

Forecast Population Growth

Population and household forecasts, 2016 to 2036, prepared by .id, November 2017.



Decision Making Structure

Decisions are made through either Council meetings, Committee meetings or by staff through delegated authority. Council's decision making structure comprised:

- Council meetings which are held on the first Monday of every month) other than January when it is held on the third Monday of the month.
- Audit and Risk Committee meetings which are held at least six times per year.
- Community Grants Assessment Committee meetings which are held at least once per year.
- Council Assessment Panel meetings are held every third Wednesday or when required.
- Regional Sports Hub Board meetings are held bi-monthly on every second Wednesday.
- Strategic Planning Development Policy Committee are held as required.

All these meetings are open to the public. Notice of meetings, agenda with reports and attachments and minutes are available from the Local Government Centre and on Council's website. A limited number of hard copies of the agenda are provided at the meeting.

As part of this decision making, Council may engage with particular community groups or undertake widespread consultation.

Once a decision is determined the outcome is advised to the relevant person or authority.



organisation chart



annual business plan

performance measures

Community Wellbeing

Performance Measures	Outcome
Regional Sporting Hub Project	
Commence Regional Sports Hub stage 1 construction in accordance with construction contract requirements.	Achieved
Adelaide Hills Recreation Centre	
The Manager meets the contracted performance criteria and a target of 95% of the key performance indicators.	Not achieved due to required closures associated with COVID-19. The closure enabled a refresh of the foyer, toilets, change rooms and other spaces within the building.
Mountain Pool	
The Manager meets the contracted performance criteria and a target of 95% of the key performance indicators.	Achieved
Tourist Park	
2% increase in visitor numbers.	Nights stayed increased by 6% YTD Income increase of 5% on YTD.
Asset renewal/program cabin replacement.	Achieved
Work Health and Safety incidents.	Nil



Performance Measures	Outcome
Library and Customer Services	
Maintain or improve current library (Libraries Board – ‘metropolitan’) ranking of 6 th for Membership as % of Population.	Not achieved – ranked between 8-9 th .
Maintain or improve visitor numbers from previous year’s corresponding quarter.	Achieved for 2 quarters only due to gate count failure and closure due to COVID-19.
Improve current library (Libraries Board – ‘metropolitan’) ranking of 10 th for Loans per Capita.	Achieved – ranked 6 th for 3 quarters and 9 th during 1 quarter.
Maintain event participation numbers from previous year’s corresponding quarter.	Not achieved Significant COVID-19 impact on events unable to be hosted due to closure and COVID-safe plan management.
Implement Library Review findings and revised business plan.	Achieved 20/21 Library Business Plan to be implemented.
Undertake a community library survey asking users about Library services and opening hours.	Achieved
Develop metrics to measure specific customer enquiry resolution rate by June 2020.	Not achieved
Environmental Health	
Percentage inspection of food premises in accordance with risk schedule (100% target).	Not achieved – varied from 78% - 100%.
Percentage of health premises inspected (piercing, tattooists, public pools) according to the schedule (80% target).	Not achieved and was severely impacted by COVID-19 restrictions.
Percentage assessed waste control applications (of lodged) (80% target).	Not achieved – varied from 68% - 99%.
Report annually to SA Health regarding activities undertaken under the Food Act 2001.	Achieved
Five (5) public Immunisation Clinics held per month.	Achieved

Performance Measures	Outcome
Public Safety	
Monitor private parking areas according to contract agreements.	Not achieved due to COVID-19 and staff vacancies.
Number of school parking patrols (target 40 per quarter).	Not achieved due to vacancies within Public Safety team and COVID-19. 4 school patrols undertaken.
Premises providing outdoor dining to be registered (100% target).	Achieved
Incidents of Council infrastructure damaged by new developments reinstated (100% target).	Achieved

Community Wellbeing (including Community Connections)	
Implement improvements to Council's website and online services.	Achieved. Your Say engagement on website implemented.
Increase community transport provision by 20%.	Not achieved , community transport was affected by COVID-19 restrictions.
Action graffiti reports within 7 days.	Achieved
Design corporate documents within legislated or agreed timeframes.	Achieved
Manage agreements that are in place with incorporated associations (e.g. community halls).	96% Achieved 25 of 26 Management Agreements signed by Incorporated Associations.
Maintain service levels for building and built recreation assets.	Achieved as per Management Agreements that provide clarity of repair & maintenance responsibilities.



Economic Prosperity

Performance Measures	Outcome
Economic Development and Sustainable Futures	
Economic development strategy initiatives pursued.	Achieved Innovation hub planning and design. Business networking, liaison and support Small business friendly initiatives.
Economic Development strategy reviewed.	Not achieved
Involvement in Regional economic development initiatives.	Achieved RDA partnership. NGAA policy development. Mount Lofty Ranges World Heritage Bid. Adelaide Wine Capital Cycle Trail.
Investment and business opportunities promoted.	Achieved Investment prospectus reviewed and updated.
Community Services	
83 community events and 8 major events supported.	The 2019/2020 event programme was on track to meet all KPIs until impacted by bushfires and COVID-19. 24 community events were cancelled, leaving 59 community and 8 major events supported.
Services provided to support the tourism industry.	Council assisted the tourism industry with successful applications for two stage one bushfire grants (Hahndorf Hidden Histories \$12,500 – Heysen Family / The Cedars Touring Exhibition \$17,500), assisting Adelaide Hills Tourism to complete a signage project for the whole region, managed the Adelaide Hills Visitor Information Centre and provided economic, tourism development and COVID-19 information and advice. Council's funding of Adelaide Hills Tourism also supported the development of the new Adelaide Hills tourism website.

The Urban Environment

Performance Measures	Outcome
Planning Policy and Strategy	
Prepare Council for transition to new Planning and Design Code.	Achieved
Implement Main Street strategies.	Achieved <ul style="list-style-type: none"> • Trial parklet program continues. • Venables Street updated concept in progress, presented to Council Oct 2020. • Hahndorf Main Street – Detailed Concept being prepared. • Littlehampton Main Street (Old Princes Highway) concept design, on track for completion of concept by December 2020.
Develop and implement Township Plans.	Achieved <ul style="list-style-type: none"> • Callington Township Plan endorsed by Rural City of Murray Bridge. • Meadows TP a review of short term actions being prepared. • Harrogate and Brukunga TP – Assisting with implantation of Bushfire Recovery actions as a priority. • Yantaringa Reserve in Hahndorf concept plan preparation in progress. • Macclesfield & Echunga township plan actions are being prioritised and a priority list of year actions prepared. • Nairne township plan being reviewed and updated. • Concept planning occurring for Glebe, Miels Park and the Main Street (Littlehampton).
Develop and implement recreation and community infrastructure strategies and actions.	Achieved <p>Review of Open Space, Recreation & Public realm strategy, along with Trails and Playspace strategies, underway.</p>
Co-ordinate the strategic planning of Mount Barker's Growth area.	Achieved <p>Growth management continuing with 30 Year Plan for Mount Barker anticipated by 2021.</p>



Performance Measures	Outcome
City Development	
Compliance with statutory assessment timeframes.	Achieved
100% of known breaches of the Development Act investigated.	Achieved
Comply with statutory building inspection regulations requirements.	Achieved
100% of known pool applications inspected.	Achieved
100% of mandatory (hold point) undertaken by Council or Superintendent for major land divisions.	Achieved
80% of quality assurance documentation received and satisfied for infrastructure inherited by Council in major land division developments.	Achieved
80% of new housing planning applications (with all relevant information submitted) issued a decision within 15 working days.	Achieved
Infrastructure Planning	
Transport Master Plan for Mount Barker substantially progressed in line with Project Plan.	Achieved Eastern Sector transport modelling well advanced to inform development and transport network. Western sector scope development advancing.
Hahndorf Stormwater Master Plan substantially progressed line with Project Plan.	Achieved Asset condition survey well advanced for eastern side of town. Western side survey scope to commence in FY20/21 along with stormwater masterplanning brief preparation and advancement.
Prepare an updated rolling 4 year capital works program for all infrastructure classes.	Achieved Refined capital works programs for majority of asset classes have been undertaken. High confidence level in the first 2 years.
Update the infrastructure policy framework including the introduction of a new Sealing Unsealed Roads Policy by June 2020.	Achieved Unsealed Roads Policy by was completed by June and adopted in August by Council.
Implement a works management system to manage maintenance programs, starting with wastewater.	Achieved Guide to maintenance module setup and field completion finished. Field testing to begin end of August.

Performance Measures	Outcome
Infrastructure Delivery	
85% of the infrastructure projects managed by Council are completed within the approved construction budget and timeline.	Not achieved Total number of projects 130. 83% of budget spent (not including Regional Sports Hub). 48% projects completed with the remaining, just missed, deferred, ongoing (multiyear) or cancelled.
80% of our customers and stakeholders rate the delivery of our projects as good to very good.	Achieved Posting and monitoring of Facebook posts has been analysed for each quarter with greater than 80% providing a positive response.
Quality project outcomes that meet the required customer and technical levels of service.	Achieved The quality of projects delivered have generally met customer and technical levels of service. This has been qualified through positive feedback from the community.

Wastewater & Recycled Water Infrastructure Expansion and Upgrading

Develop a masterplan to complete wastewater network/system to service the growth areas and improve levels of service.	Achieved Master Plan Updated to reflect, timing, budget and current project status.
Future infrastructure expenditure and associated funding strategies identified to quantify impact on Council budget and customers.	Achieved Revised wastewater strategy completed and forecast expenditure included in draft annual business plan for 20/21.
Update the long-term wastewater and recycled water infrastructure delivery strategies.	Achieved Updated and input being included in draft long term financial plan.
Development of a sewer strategy and accompanying business case to service Mount Barker City Centre.	Not achieved
Secure new long-term customers for recycled water reuse.	Not achieved Council is still working with the Regional Development Australia and EcoAdvisory to identify new customers in the Callington area. Potential customers identified and initial report has been presented.

Performance Measures	Outcome
Wastewater and Recycled Water	
Wastewater system is operating in accordance with relevant regulatory requirements.	Achieved The system is operating in accordance with regulatory requirements. The Environmental improvement plan has been endorsed by council and approved by the EPA.
Implementation of Works Management System for preparation and enhancement of existing Asset Maintenance Plans.	Not achieved
Establish trade waste framework and ensure contractual agreements are current and associated obligations are measured and met.	Not achieved
Discharges to Mount Barker and Nairne creeks meet the requirements of the relevant regulatory authorities.	Achieved Discharges to the creeks have occurred in accordance with licence conditions.
Target of zero complaints received via the Energy and Water Ombudsman that are considered by the Ombudsman to require Council action.	Achieved
Ensure agreed water quality, and quantity, is delivered to Laratinga Wetlands.	Not achieved Current and future volumes are in excess of the desired sustainable levels. Working with the EPA and WWTP interim works is underway to improve plant reliability and water quality.
Develop a communication plan to further inform our community about our services and provide an improved level of service to our customers and stakeholders by June 2020.	Achieved





The Natural Environment and Sustainable Living

Performance Measures	Outcome
Waste	
Progress prioritised actions identified in the endorsed Waste to Resources Management Plan.	Achieved Circular Procurement program participation ongoing. Hardwaste option review underway.
Cemeteries	
Cemeteries maintenance performed to the current service level.	Achieved
Completion of the Landscape Standards and Guidelines Framework.	The guidelines have been developed and are in use. There is no further review of these guidelines planned at this stage.
Completion of identified actions from Biodiversity Strategy.	Not achieved Priority biodiversity works Roadside marker scheme reviewed.
Ongoing review of Laratinga or Springs Wetlands management.	Not achieved Laratinga committee progressing through action plan.
Seedlings planted with success rate of 70% of 10,000 seedling survival.	Not achieved



Performance Measures	Outcome
Economic Development and Sustainable Futures	
Strategic initiatives related to sustainability pursued:	Achieved Involvement in the Resilient Hills and Coasts Climate Adaptation project ongoing Member Cities Power Partnership.
<ul style="list-style-type: none"> • Level of engagement and involvement in local and regional sustainability initiatives and partnerships. • Level of commitment to climate change mitigation and adaptation programs and partnerships. 	
Environment Strategy initiatives pursued:	Where We Build What We Build project finalised.
<ul style="list-style-type: none"> • Carbon neutrality investigated; • Energy and climate mitigation action plans developed. • Level to which lower environmental footprint housing and sustainable development is demonstrated and encouraged. • Number of actions to raise awareness about landfill waste, recycling, e-waste and composting and promote waste reduction. 	House of Tomorrow project under development.
Fire Prevention and Emergency Management	
Increase community bushfire awareness and fire prevention measures.	Achieved Efforts continue with fire affected committees, meetings with SACFS to look at community engagement program are underway.
Complete 100% of fire prevention program of rural roads to be slashed/sprayed.	Achieved
Completion of the Business Continuity / Emergency Management Plan.	Not achieved
Assess and report on the progress of the Adelaide Mount Lofty Ranges Bushfire Management Area Plan.	Achieved
Parks and Public Places	
Continue to develop and implement the rural roadside reserves corridor pruning program.	Achieved
Maintain Council's Parks and Public Places in accordance with service standards.	Achieved

Governance and Leadership

Performance Measures	Outcome
Risk and Governance	
Regional Risk Management Review is equal or above regional average results.	Achieved
The senior management team and Council's Audit and Risk Committee receive risk reports quarterly.	Achieved
Finance	
Review and update the Long Term Financial Plan.	Achieved Long Term Financial Plan adopted by Council on 1 June 2020.
Develop enhanced processes for Corporate Planning and Budgeting.	Achieved
Develop and implement financial training for staff with financial delegation.	Achieved
Develop and prepare timely financial reporting.	Achieved
Assets	
Asset condition audits and revaluations completed in accordance with schedule.	Not achieved Audits completed revaluations are underway.
Strategic Asset Management Plan reviewed, updated and ready for endorsement.	Achieved SAMP public consultation finished in July with report to September Council meeting for adoption.
Asset management system (Assetic) integrated with GIS and transported to the Cloud.	Achieved



Performance Measures	Outcome
Rates	
Overdue rates reduced to 4% of total rates.	Achieved 1.50% (Total \$598,866 as at 30 June 2020).
Reduce limited title debt (limited title is a certificate of title issued as part of the conversion process from the old system, where either survey data or proof of ownership is insufficient to issue a regular certificate of title).	Not achieved
Information and Communications Technology	
More than 97% uptime of ICT corporate systems.	Achieved – 99.4%.
Implement activity based ICT solutions for Environmental Services Centre staff.	Achieved
Procurement	
Number of regional contractors/suppliers versus total contractors/suppliers engaged in the previous 3 months target.	Achieved
People and Culture	
Achievement of targets in the Work Health and Safety and Return to Work Plan.	Achieved New Plan approved and commenced implementation.
Workforce Development Strategy developed and implemented.	Achieved
Quarterly Workplace Consultative Committee meetings held.	Achieved
Business Systems Improvement	
Complete two service improvement projects.	Achieved Procurement and deployment of the Nintex Process Automation and Robotic Process Automation Software has been completed.



community wellbeing

Local Nuisance and Litter Control Act

(a) the number of complaints of local nuisance or littering received by the council;	69
(b) the number and nature of —	
(i) offences under the Act that were expiated;	2
(ii) offences under the Act that were prosecuted;	0
(iii) nuisance abatement notices or litter abatement notices issued;	2
(iv) civil penalties negotiated under section 34 of the Act;	0
(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications;	0
(c) any other functions performed by the council under the Act.	0

Public Safety

Public Safety Officers play a very important role in the community by undertaking the following activities:

- Responding to dog attacks and barking dog complaints
- Patrolling reserves and parks to monitor animal management issues
- Regular school patrols at drop off and pick up times to ensure the safety of school children
- Responding to parking complaints
- Monitoring outdoor dining
- Monitoring timed parking areas to ensure the turnover of vehicles which benefits local businesses.

A key action from Council's Animal Management Plan (2018-2022) is implementing a cat by-law, the cat by-law was endorsed by Council in September 2019.

Environmental Health

The Environmental Health team perform a variety of tasks which ensure the public health of the community.

Routine food premises inspections are undertaken and food premises complaints are also investigated.

Environmental Health officers also assess wastewater applications and inspect sanitary plumbing for waste control systems. Public health complaints such as stormwater pollution, noise, odour issues and vermin complaints are also investigated.

EHOs played a major role in monitoring COVID-19 restrictions and informing the community and local businesses of the restrictions and how they apply to them from March to June 2020.

Immunisation

Council's Immunisation Team held public clinics every Tuesday morning, previously clinics were held at Council's Civic Centre, a decision to shift the public clinics to locations within the community has been well received. Extra clinics were made available to ensure as many medically at risk individuals as possible were able to receive the influenza vaccine.

The School Based Immunisation Program (SBIP) is also delivered by Council's Immunisation Team and they visit each of the four schools a number of times in order to ensure that the SBIP schedule for relevant school aged children is being adhered to.

Community and Sporting Facilities Development

Council has 26 Management Agreements with Incorporated Associations who manage community buildings and recreation grounds on behalf of Council.

Council also has Management Agreements with Belgravia Leisure who manage the Adelaide Hills Recreation Centre and the Mount Barker Mountain Pool on behalf of Council.

Council established a Board which will be responsible for setting the strategic direction and governing the operational management of the Mt Barker regional sports hub which is under construction.

Reserves Maintenance

Maintenance of Councils parks and gardens continue to be maintained in line with current service levels. To accommodate the growth of the District, customer satisfaction and enhanced environmental outcomes, new draft service levels have been developed and trialled across a portion of the District over the past 12 months. Findings from the trial will be finalised late 2020 and presented to Council for implementation.

Business Mount Barker again donated 40,000 spring flowering bulbs to further enhance the beautification of the township.



Library

Mount Barker Community Library

Library services, resources and programs were accessed by the community in the newly-refurbished library building which includes a new entrance, customer service desks and redesigned computer room, local history centre and toy library. In partnership with external organisations, residents also participated in library programs in the community. Digital resources, training and events were provided through online platforms and the library engaged with customers, delivering content innovatively for the benefit of the community.

Highlights

- Taking the library into the community.
- Author talk by popular author Fiona McIntosh.
- The Little Bang Science Club.
- Be Connected digital literacy training.
- Streaming Adelaide Writers Week.
- Partnerships with community organisations and government departments.
- Implementing a Call and Collect service.

Library statistics

Total number of items in the collection	46,850
New items added to the collection	4951
Total items borrowed (physical)	234,658
Total items borrowed (digital)	eBooks 21,965 eAudiobooks 14,381
Total number of active members	10,245
Total number of visitors	79,946
Average loans per day (physical)	779

Community Wellbeing

Volunteers

Due to COVID-19 restrictions in the workplace, most volunteer activity was suspended in the fourth quarter of 2019/2020 (April – June 2020). The restrictions also resulted in the cancellation of the annual Regional Volunteer Movie Day event usually held in May each year to recognise and celebrate volunteering in the Mount Barker, Adelaide Hills and Alexandrina Council areas.

In the period prior to the restrictions, over 12,600 hours of volunteer time was gifted to the community across seven Council volunteer programs.

- Community Bus volunteers drove 2450Km.
- Hills Community Transport volunteers contributed 3,260 hours to drive clients to do shopping and attend appointments.
- Social Options supported community members to attend over 280 outings.
- Graffiti volunteers visited and cleaned 432 sites with graffiti vandalism.
- Justice of the Peace day room service saw 944 clients and processed 2602 documents.
- Laratinga Wetland Warriors have been very busy with over 5,000 plantings, maintenance and upkeep.
- Library Services volunteers devoted 1370 hours towards the Local History Centre, Children's Services and general library.
- Adelaide Hills Visitor Information Centre volunteers gifted over 5000 hours to visitors, industry and community, operating 364 days of the year and adapted during Covid to provide a self-service facility and afterhours information collection during this time.

Youth

Council delivered Sunday Sessions at the Mount Barker Skate Park, Adelaide Hills Youth Sector Network quarterly meetings, Reconciliation Event, training programs in partnership with TAFE SA, Operation Flinders Program, Star of the Hills program, Adelaide Hills Career Expo, Just Too Deadly Awards and the Heartlands Program.

Council continued to develop its partnership with the Mount Barker Community Centre, Ink Pot Arts and other organisations to coordinate and deliver programs and services to the district's youth.

Some programs, such as Youth Week and involvement in the Nature Play Festival were suspended due to COVID-19 restrictions.

Arts & Culture

Council has worked in collaborative partnership with a number of individuals and groups within our community to celebrate and enable the wide diversity of arts and cultural talents within our communities.

These activities and events include:

- Celebration and recognition of the traditional custodians of the Adelaide Hills, the Peramangk People
- Concerts held in the Ukaria Cultural Centre providing a unique experience for audiences including Festival of Arts or Adelaide Festival
- Community and school workshops in collaboration with the Hahndorf Academy and continuing our partnership with Ink Pot Arts in the delivery of Performing Arts outcomes
- Increased opportunities for local visual artists through the Hills Art Collective's exhibitions
- Regular opportunities for local musicians to display their talents at the Meadows Cheese Factory; and
- Successful SALA events throughout the District.

Seniors

Council delivered programs for seniors including Have fun with Painting, Have fun with Acting, High Tea and Dance events and the Op Shop Hop event. Council supported Nairne Nifty +50's, Contemporary Dance for Seniors, Parkinson's SA group, Hills Treasure event, Top Hat meetings, Mount Barker Men's Shed and the University of the Third Age.

Disability

Council supported the establishment of the Disability and Inclusion Reference Group. The role of the Group is to provide general advice to the Council and advocate and undertake initiatives that support greater social inclusion of people with disability.



Hills Community Transport

Hills Community Transport (HCT) is funded by the State Department of Human Services (DHS), State Department of Planning Transport & Infrastructure (DPTI), Commonwealth Department of Health and Mount Barker District, Adelaide Hills and Alexandrina Councils.

The Program provides transport for people who live anywhere in the Adelaide Hills region and do not have any other transport options. This year HCT assisted 441 people with 6,098 one-way trips (a decrease of 31.6%) to get to medical appointments, shopping and social activities.

The decrease is due to COVID restrictions from March to June. During the COVID-19 restrictions, HCT continued to assist clients to get to essential medical appointments only.

Council charters a 19 seat bus to community groups in the District, which was used by 13 different groups on 31 separate occasions.

These transport services were provided with the assistance of 35 transport and administrative volunteers who contributed 4,332 hours to their local community.

Home Assist and Social Options

The Community Programs Unit is funded by the State Government's Home and Community Care (HACC) Program, the Commonwealth Home Support Program (CHSP) and Mount Barker District Council to deliver the Home Assist and Social Options.

These programs support people over 65, people with a disability and their carers to continue to remain living in their homes by providing minor home and garden maintenance, house cleaning and social activities.

The Social Options Program continues to provide vital social connection to Council residents aged 65 and over, including information sessions at the Library, cinema outings, Barker Blokes, Coffee Club, full day bus trips, 'Spotlight' Sessions and 'Living Well' information sessions.

The Social Options Program was provided with the assistance of 20 volunteers who contributed 1,229 hours to their local community.

During the COVID-19 restrictions from March to June the Social Options Program ceased operating. Other services continued but demand decreased.

The Social Options Program provided the following assistance in 2019/20:

Service Type	Outputs
Social Support	5,201 hours (a decrease of 35.4%)
Transport for Social Program	2,267 one-way trips (a decrease of 31.4%)

In 2019/20 Home Assist provided the following assistance in 2019/20:

Service Type	Outputs
House Cleaning	2,487 hours (a slight increase of 0.01%)
Home & Garden Maintenance	2,643 hours (an increase of 18.4%)





MOUNT BARKER
DISTRICT COUNCIL

Investment Prospectus

Growing opportunity



economic prosperity

Branding and Marketing

A new small business brochure ‘Find Your Success’ was produced in the reporting period and Council’s Investment prospectus has been completely updated. This is in addition to regular e-newsletters, website, social media and direction communication which are used to provide updates and communicate more generally with the business community.

Employment Growth and business support

The Small Business Friendly Initiative of the Office of the Small Business Commissioner continues and includes a range of initiatives that are designed to support local business development and growth including a 10% local procurement policy and wherever possible seeks to utilise local businesses in the provision of goods and services and commitment to pay suppliers within 14 days.

Significant progress was made in establishing an innovation precinct in Mount Barker including detailed design for the renovation of part of C-Block at Mount Barker TAFE. In partnership with Business SA, Council awarded four (4) scholarships during the 2019/20 financial year under the Business SA ‘Encore’, ‘Export’, ‘SAYES’ and ‘Entrée’ programs. Scholarships support locals build their existing businesses or develop new business ideas.

Council continues to engage in effective and mutually beneficial partnerships with RDA, regional councils and others to explore employment growth opportunities. It also works closely with local traders groups and the 3 main business groups, namely Business Mount Barker, Hahndorf Business and Tourism and the Mount Barker Business group.

Tourism and Events

Tourism marketing of the region was significant during 2019/20 with full page advertisements in the Adelaide Hills Regional Guide, Due South Magazine, and an episode of South Aussie with Cosi. Printed maps and a smaller brochure for Hahndorf, The Old Princes Highway, Nairne heritage walks and Battunga Country have been produced to enhance the visitor experience in the region. The regional tourism website www.adelaidehills.org.au continued its strong performance with approximately 19,000 visits each month. Staff have worked collaboratively to transition online information to a new Adelaide Hills Tourism website www.visitadelaidehills.com.au, retaining the former site for the Adelaide Hills Visitor Centre and online bookings.

Council assisted the tourism industry with successful applications for two stage one bushfire grants, assisting Adelaide Hills Tourism to complete a signage project for the whole region, managed the Adelaide Hills Visitor Information Centre and provided economic, tourism development and COVID 19 information and advice.

Events continue to drive visitation to the region, provide economic and social benefit within our communities, showcasing the rich beauty and wonderful lifestyle that we enjoy. While local events have been impacted by Bushfire and the COVID 19 pandemic, it is estimated that events attracted 118,921 people, generated \$3.5M in economic benefit to the region and received \$650,000 in-kind support from our communities. Council's Event of the Year for 2019/20 was "Australia Day at Auchendarroch, Family Fun Day". 65 events throughout the district were recipients of Council sponsorship and other assistance.

The 2019/2020 event programme was on track to meet all KPIs until impacted by bushfires and COVID 19.

24 community events were cancelled, leaving 59 community and 8 major events supported.

Council continues to contribute to Adelaide Hills Tourism and the achievement of its strategic objectives.



Adelaide Hills Visitor Information Centre

Council operates the Adelaide Hills Visitor Information Centre (AHVIC) in Hahndorf, with daily operations undertaken by staff and 27 volunteers who provided 5,000 hours of service to our visitors, despite being closed for a two month period due to COVID-19 pandemic and border restrictions.

The centre closure provided an opportunity to renovate the visitor space resulting in easier circulation and provision of information in the newly painted space.

The Hahndorf Ambassador Program greeted 21,500 visitors prior to COVID 19 including 21 cruise ships and bus tour passengers. This was an increase of 8,500 visitors from the previous financial year.

Economic modelling undertaken by Tourism Research Australia and the South Australian Visitor Information Centre Network indicates the AHVIC contributes to an unplanned additional visitor spend of approximately \$4.5M annually, and operates among the highest efficiency rates in SA.

The centre serviced the needs of 29,000 visitors and has significantly advanced its digital performance through Facebook, Google My Business, Trip Advisor and the website. This digital improvement along with the Hahndorf Ambassador Program, outstanding results in performance surveys, and industry engagement ensure the centre provides contemporary services to meet the needs of our visitors.

Mt Barker Caravan and Tourist Park

Council operates the Mount Barker Caravan and Tourist Park and the day to day operations are undertaken by Managers under a contract. The location of the Park in central Mount Barker is highly valued by visitors to the area and the 2019/20 financial year saw a total of 33,350 guests staying at the park.

The Park consists of a range of cabins from budget, family and executive cabins, to regular and drive through caravan sites. Over the past year there have been several upgrades to the park including a refurbishment of the ablution blocks, renewal of additional drive through caravan sites, kerbing/drainage works, upgrade of the reception area and another new 2 bedroom executive cabin has been built.





the urban environment

Trees

Public interest in Mount Barker Districts treescape is on the rise. There is indication people are recognising the diversity and detail of recent plantings and comment positively mentioning areas of the district are looking as good as some well-known neighbouring Adelaide Hills areas.

Trees continue to be a big part of many programs across council including, unique feature park and roadside plantings in Flaxley, Macclesfield, Totness, Blakiston and with Echunga trialling new to the program Australian rainforest species *Harpulia* and *Waterhousia*. Pocket Forests and 'Cool Parks' at Waterford Mount Barker also Willow Park Littlehampton are set to cool large amounts of urban open space, these once avoided dryland grass areas will become activated cool urban havens in years to come.

To avoid costly manufactured shade structures which date and decay Council continued to build on its playground tree shade program. This initiative seeks to enhance beauty at play equipment sites and introduce evaporative cooling to the playground environment. The 19/20 playground shade program included Callington, Kanmantoo, Nairne, Echunga and Hahndorf.

Many trees are added to the increasing tally through capital works projects including the 2019/20 Hurling trail extension which received a blend of native and exotic trees to compliment the Steam Ranger corridor and urban precincts along the way.

Gifted park and street trees continue to roll in from the growth area and become under care from Maintenance and Operations.

2019/20 revegetation projects saw a record of approximately 14,830 indigenous tube stock planted around the district.

Many interesting tree species were installed into the ESC landscaping project designed and constructed 'in house', these will provide proofing trials and an example of a greater pallet suitable for use around the district.

An exciting part of the 19/20 tree calendar was planning and procuring the tree stock for the inaugural Regional Sports Hub treescape which is set to be installed this Spring! We are hoping to present a legacy treescape which will surprise and delight all new visitors to the hub and give a great sense of home to all locals.

Infrastructure projects

Council invested over \$26 million into critical infrastructure projects for the community including bridges and culverts, buildings, drainage, footpath, information technology, land, plant and equipment, recreation assets, roads, wastewater and recycled water infrastructure.

Specifically, \$3.7m was invested in buildings including finishing the Environmental Service Centre and restoration work on The Hahndorf Academy. \$620K was spent renewing footpaths. \$8.8M was spent on recreational assets including the start of the Regional Sports Hub Stage 1 due for completion at Christmas 2020. A further \$1m was spent on renewing our unsealed road network (re-graveling). \$4.1M was allocated towards the annual resealing and renewing of our bitumen road network, including stage 3 of Springs Road upgrade and deep lift bitumen renewal of Alexandrina Road. Additionally numerous gravel roads were upgraded and sealed across the District as part of Council's Roads to Recovery program.

Town Centre Strategy & Various Plans

Strategic Projects

Cedars (Heysen Gallery)

- Architect engaged, design process commenced.

City Centre Catalyst Project

- EOI process nearing completion, recommendations on preferred proponent(s) to be put to Council for consideration in late 2020.

Sporting facilities and open space planning

- Commitment of \$10m from the Federal Government for the Regional Indoor Aquatic and Leisure Centre. Further funding from Federal and State Government is being actively sought.
- Commencement of construction of the Regional Sports Hub.
- Minor funding grants for facility upgrades through Local Roads and Community Facilities funding including Polo Grounds, Crystal Lake, Yantaringa Reserve and Echunga RSL Garden of Remembrance.
- Yantaringa Reserve Management Plan completes community consultation on 21 August, positive response from community.
- Review and update of Open Space, Recreation and Public Realm Strategy, along with Trails and Playspace Strategy to commence later in 2020.
- \$380k grant funding secured for the extension to the Laratinga Linear Trail, Mount Barker.
- Progressed design of Childs Road (link between Mount Barker and Littlehampton).

Main Streets

Completion of Stephen Street Plaza and associated landscaping/lighting upgrades

Venables Street Macclesfield

- Updated concept plan for eastern side largely complete;
- Survey and engineering detailed design currently occurring;
- Places for People grant application unsuccessful;
- Alternate funding approaches being considered.

Community consultation on a concept plan for Hahndorf Main Street and progression to detailed concept design.



Township Planning

Hahndorf Township Plan

- DPTI led \$1million traffic study commenced.
- Working with the Hahndorf Recreation Committee regarding potential future improvements at the Recreation Grounds.
- Working with the Hahndorf Bowling Club regarding potential improvements to their land.
- Hahndorf Main Street (refer page 46).
- Works to be completed on Hahndorf Academy and Landscaping.

Littlehampton Township Plan

- Undergrounding of powerlines completed along the main street.
- Funding received for Littlehampton Greening (Glebe and Miels Park).
- Completion of Memorial Hall toilets.

Nairne Township Plan

- Detailed design for Narine Village Green is nearing complete.
- Continued advocacy for Woodside Rd/ Old Princess Highway upgrade.
- Construction of Stage 1 works to commence in the coming months.

Brukunga and Harrogate

- Improving static water supply for firefighting purposes at the Harrogate Hall.
- Upgrade of Harrogate Road on southern entrance in Harrogate.

Meadows Township Plan

- Detailed design process commencing regarding the upgrade of Mawson/ Battunga Road intersection.
- Ongoing discussions with Meadows Recreation Ground Committee regarding potential purchase of land to the north of the recreation ground.

Echunga Township Plan

- Actions from the plan are being prioritised with a shortlist of projects to be commenced this year.
- Assistance is being provided to the Echunga Community Association and the Echunga RSL to lodge a community grant with the NRM Board and to commence some work on the RSL Garden of Remembrance.

Macclesfield Township Plan

- Schools pedestrian accessibility improvements.
- Actions from the plan are being prioritised with a shortlist of projects to be commenced this year.

Callington Township Plan

- Design works have begun regarding a pedestrian bridge over the Bremer River (Erskine Bridge).
- Initial investigations regarding Pump Track from RCMB being permanently relocated to Callington.

Housing strategy for the District endorsed by Council on 2 March 2020

- Actions in the plan are currently being prioritised and action plan for implementation prepared.





Planning Policy

- Totness Employment Lands DPA: Approved by the Minister for Planning
- Kanmantoo Copper Mine DPA: community consultation has been completed and endorsed by Council, the relevant infrastructure deeds and land management agreements will need to be executed prior to the DPA being forwarded to the Minister for Planning for their consideration
- Local Heritage DPA: The Statement of Intent including the heritage data sheets have been endorsed by Council and forwarded to the Minister for Planning for their endorsement
- Planning and Design Code: Council staff continue to monitor, review and respond to documentation as part of the *Planning Development and Infrastructure Act 2016* implementation.

Development Application Data 2019/20

In 2019/20 1,183 development applications and 52 land division applications were lodged. 1,069 planning assessments were completed.

403 building rules assessments were completed and 699 privately certified building rules assessments were received.

1,115 development applications and 39 land division applications were issued full development approval.

Recycled Water

Council operates the largest Council owned recycled water scheme in SA, targeting 100% productive reuse of treated wastewater.

Approximately 850ML of recycled water was distributed to customers from the Mount Barker wastewater treatment plant. The award winning Laratinga Wetlands was adequately supported throughout the year with a regular supply of recycled water to keep the basins full. The largest recycled water customer continued to be the Hillgrove Resources mine in Callington which used 589ML up until April 2020.

In pursuit of 100% reuse of recycled water, the RDA (Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo Island) has been tasked to seek new uses of recycled water in our region. A number of potential end users have been identified and the construction of a new water storage facility is being planned with assistance from the State Government.

Wastewater

Council is progressing with the staged expansion of its existing Mount Barker wastewater treatment plant, wastewater collection network and recycled water reticulation network to meet all regulatory requirements and allow for growth and economic development in the district.

After public consultation, Council adopted and presented to the Environment Protection Agency (EPA) its Environmental Improvement Plan (EIP) which has now been approved. The EIP defines our commitment to improve environmental outcomes for our district through the effective management of our wastewater assets and services.

The wastewater treatment plant upgrade strategy and budget for the next phase of the project was adopted in July 2020 following the EIP recommendations. Interim works over the next two years will extend the life of the existing plant and provide immediate water quality improvements until a more comprehensive upgrade occurs in circa 2024.

During 2019/20, the following program of works have been successfully completed:

- Desludging of the Western Lagoon of the Mount Barker wastewater treatment plant
- Upgrade of the Littlehampton gravity trunk main (Stage 4 & 5)
- Construction of the Eastern Sector gravity trunk main project
- Construction of the Western Sector gravity sewer main
- Manhole restoration and asset renewal program
- Preventative cleaning and inspection program for the pipe collection network
- Stormwater intrusion detection program.





the natural environment

and sustainable living

Biodiversity Programs / Environmental Awareness

Implementation of the Environment and Biodiversity strategies was again a focus during 2019/20. Outcomes included:

- Community tree planting (National tree day and school plantings) – (14,000 plants)
- Bushcare support – 23 sites
- Biodiversity priority works program
- Sustainable Living Mount Barker delivered
- Tree canopy mapping project completed
- Successful implementation of Weeds of National Significance program
- Bee Hotel construction
- Habitat advice and site planning for integration into Laratinga wetland
- Butterfly project development for Byethorne Park.

Waste Management

Council provides a district wide kerbside collection service which includes a three bin service to its residents within townships for the collection of waste, recyclables and organics and a two bin service (waste and recycling) outside of townships. As part of this service, Council also provides commercial properties with a 2 bin system (waste and recycling) and public place waste bins on streets and in parks. Special event bins are also utilised as required. Council's landfill diversion rate has improved by 2.5% to 49.5% however there has been an increase in total waste tonnes disposed to landfill (4.66% or 319.2 tonnes). The proportion of recycling collected has increased by 3.15% and green organics has increased by 25.72%.

Council continued implementation of the Waste to Resources Management Plan 2018 – 2025. The overarching goal of the Plan is to reduce waste disposed to landfill by 20% per capita. The Plan provides for waste management now and in the future to reflect the growing needs of the District and in response to changes within the waste management industry.

Council continues to manage the impact of the China National Sword Policy on recyclables for the kerbside waste collection. Contract negotiations with Council's waste contractor are ongoing reflecting the shift in markets and costs to process recycling.

Council is a participant in the Circular Procurement Pilot Project coordinated by the Local Government Association of South Australia (LGA) to prioritise the purchase of products with recycled-content through the procurement process.

Council were also successful in receiving another round of funding from Green Industries SA as part of the Regional Transport Subsidies Program to support their continued recycling efforts in response to the challenges presented by China's National Sword Policy.

Climate Change Mitigation and Adaptation

The Climate Change Action Plan was finalised and adopted by Council in November 2019. Council continued involvement in Resilient Hills and Coast, the regional climate change adaptation project. This included progressing the following initiatives finalising the Where We Build What We Build project and Climate Change Adaptation Governance Assessment. The recommendations of this report are being embedded with Council processes and policy and planning documents.

Wetlands

The Laratinga Wetlands are often referred to as the “jewel in the crown” of the Mount Barker District. The wetlands continue to be a major drawcard for locals as well as numerous tourists visiting from outside the region.

The passionate Wetland Warrior volunteers have provided approximately 600 hours over the past 12 months towards general maintenance and planting activities. The success of the Wetland Warriors has also seen a midweek volunteer group introduced to complement the weekend program.

Weed control has continued to be a focus for maintenance activities to support ongoing revegetation efforts and support biodiversity outcomes.

A key recent project delivered at the wetlands involved the construction of a new mudflat area at the old ephemeral swamp area south of Mount Barker Creek. The construction of this mudflat was a key early action from the [2019 Water Resource Requirements for Laratinga Wetlands](#) report which identified the need to create additional mudflats to offset the loss of bird habitat as a result of the water depths increasing across the wetlands while the wastewater treatment plant upgrade occurs. Approximately 1500 native plants were planted by Council staff and the Laratinga Wetland Warrior Volunteers throughout the new mudflat habitat. Wetting and drying cycles for the new mudflat will be managed with a combination of natural water flows and water piped in from the wetlands. An additional mudflat is also due to be constructed at the wetlands early in the 2020/21 financial year.

Bushfire and Emergency Management

Council has faced a challenging year this year in responding to bushfire and emergencies in the region. The Cudlee Creek bushfire saw immeasurable disruption to the Northern part of our region over the Christmas period 2019. Over 7,100 ha of the district was burned including homes, properties and vehicles. Council has invested considerable time and resources in restoration and recovery across the district including clearing roads and waste, restoring road furniture and signage and repairing damaged community assets and building social fabric. Development applications and enquiries for the fire affected area continue to be prioritised to ensure the community are in the best position to recover from the devastating event. Work continues with the affected communities to build future resilience through the initiatives like the Harrogate Hall Fire Tank Project and the Large Animal and Vehicle Refuge Project, as well as building roads and infrastructure back better.

Council has continued to be involved with regional emergency planning through involvement in the Zone Emergency Management Committee and the Bushfire Management Area Committee, as well as working with the Local Government Functional Support Group in supporting Kangaroo Island Council in their devastating fires in January.

Property inspections for fire prevention were completed across the region with community showing positive commitment to cleaning up their properties ahead of the Fire Danger Season.

Community Land Management Plans

A Community Land Management Plan was endorsed for the Western Sector Recreation Land, Mount Barker.





governance and leadership

Performance in Implementing of Strategic Plan and projects and targets for next year.

Delivering Mount Barker 2035

Council's Strategic Plan is delivered against its 5 goal areas being: Community Wellbeing, Economic Prosperity, The Urban Environment, The Natural Environment and Sustainable Living and Governance and Leadership. High level objectives and more specific strategies guide key delivery areas and capital projects and operational activities to achieve community outcomes. High priorities are also identified under each goal area. The Strategic Plan was reviewed during the reporting period and a new Draft Community Plan developed. The Community Plan 2020-2035 is expected to be finalised by November 2020.

Performance in Implementing of Asset Management Plan and projects and targets for next year.

The strategic Asset Management Plan (SAMP) was review and update with consultation undertaken with the community during April to July. The council adopted the SAMP in September.

- The SAMP identify the need to investigate and identify critical assets and improved infrastructure risk register.
- The data collected from the building condition audit, will inform an update a new building renewal program.
- Develop reporting to ensure asset renewal ratio are on track with the SAMP modelling.

Performance in Implementing of Long Term Financial Plan and projects and targets for next year.

Review and Update The Long Term Financial Plan

The draft LTFP was taken to Council in April 2020, consultation was undertaken with the community during April and May and the final LTFP was adopted by Council in June 2020.

Develop Enhanced Processes For Corporate Planning and Budgeting

Processes were implemented as part of the 2020/21 budget process following a review of the 2019/20 process.

Develop and implement financial training for staff with financial delegation

Finance and procurement training was provided to all General Managers and Managers. Further financial training was provided to staff as part of commercial acumen training.

Develop and prepare timely financial reporting

Further financial reporting was developed for the Corporate Governance Group as part of the financial reporting framework development.

Freedom of Information Requests

Sixteen (16) Freedom of information requests were received.

Topic of request:

- Signage Complaint (x2)
- Building / Development (x2)
- Code of Conduct (x4)
- Health Concerns (x2)
- Public Liability Insurance
- Road Maintenance
- Stormwater / Drainage
- Barking Dog
- Intensive Animal Keeping
- Solid Waste Levy.

Internal Reviews

There was one (1) internal review undertaken related to a complaint regarding Council determining not to proceed with independent advice about noise from an air conditioner. The internal review found the decision was reasonable, and identified an improvement opportunity in relation to more timely communication, in particular where Council is varying its previously communicated course of action.



Representation Quota

As at 28/02/2020	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 2
Council Elected Structure & Representation	Electors	Total Members (inc. Mayor)	Representation Quota*	Mayor or Chairperson M/C	Number of Wards	Number of Area Councillors	Aust Class. of LG (ACLG)
Onkaparinga	125741	13	9672	M	6	0	UFV
Cooper Pedy	970	9	107	M	0	0	URS
Mount Barker	25596	11	2326	M	3	0	URM
Mount Gambier	19391	9	2154	M	0	0	URS
Port Augusta	9491	10	949	M	0	0	URS
Port Lincoln	10472	10	1047	M	0	0	URS
Roxby Downs#	-	-	-	-	-	-	URS
Whyalla	15369	10	1536		0	0	URS

^Statewide average representation quota

*representation quota for the purpose of Schedule 4 (annual reports) of the Local Government Act 1999 was amended in 2002 to include all Members including Mayors

Roxby Downs does not yet have an elected Council

Note 1: Derived from information provided by the Electoral Commission of SA, current as at last collection of elector figures statistics for House of Assembly and Council Supplementary roll (28/2/2020)

Note 2: Refer appendices <<http://regional.gov.au/local/publications/reports/>> for a full explanation of ACLG

ACLG labels stand for:

- Urban Capital City (UCC)
- Urban Development Small (UDS)
- Urban Development Medium (UDM)
- Urban Development Large (UDL)
- Urban Development Very Large (UDV)
- Urban Fringe Small (UFS)
- Urban Fringe Medium (UFM)
- Urban Fringe Large (UFL)
- Urban Fringe Very Large (UFV)
- Urban Regional Small (URS)
- Urban Regional Medium (URM)
- Urban Regional Large (URL)
- Urban Regional Very Large (URV)
- Rural Significant Growth (RSG)
- Rural Agricultural Small (RAS)
- Rural Agricultural Medium (RAM)
- Rural Agricultural Large (RAL)
- Rural Agricultural Very Large (RAV)
- Rural Remote Extra Small (RTX)
- Rural Remote Small (RTS)
- Rural Remote Medium (RTM)
- Rural Remote Large (RTL)

Representation Review

Council last undertook a Representation Review in 2013 where the only change was Paechtown moving from Central Ward into North Ward.

Council will undertake a further review of Council composition and wards in October/November 2020.

In accordance with existing provisions in Section 12 of the Local Government Act 1999, the Representation Review Process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the opportunity for community submissions as part of the review. The Council is then provided with a report on the consultation and considers whether amendments are required. The report is then submitted to the Electoral Commissioner to determine if the requirements have been satisfied. Any changes will take effect at the Local Government Elections to be held in November 2022.

Council Member Training

- On-line mandatory training.
- Tree Symposium.
- Roads Conference.
- National Growth Areas Alliance Conference.
- LGA Leadership Forum.
- Bank of Ideas.
- Public Interest Disclosure Act.

Council Member Allowances and Benefits

Mayor	\$70,792.00
Deputy Mayor	\$22,122.50
Councillors	\$17,698.00

Remuneration for Executive Officers

Chief Executive Officer plus private use of a vehicle and 2.5% extra super	\$256,018
Deputy CEO plus private use of a vehicle	\$177,391
2 x General Managers plus private use of a vehicle	\$162,080 -\$168,518
1 x General Manager	\$167,508
Chief Financial Officer plus limited private use of a vehicle	\$147,682
Auditors Remuneration	\$24,830



EEO Programs, Human Resource Management / Development Programs

Human Resource Management and Development Programs

The following People & Culture policies and procedures were reviewed and/or created:

- COVID-19 in the Workplace Procedure
- COVID-19 Special Leave Corporate Policy
- Hospitality & Related Spending Corporate Policy
- Police Clearance & Screening Procedure
- Reward & Recognition Procedure.

As part of Council's commitment to develop our staff and ensure compliance requirements are met, the following training programs were delivered:

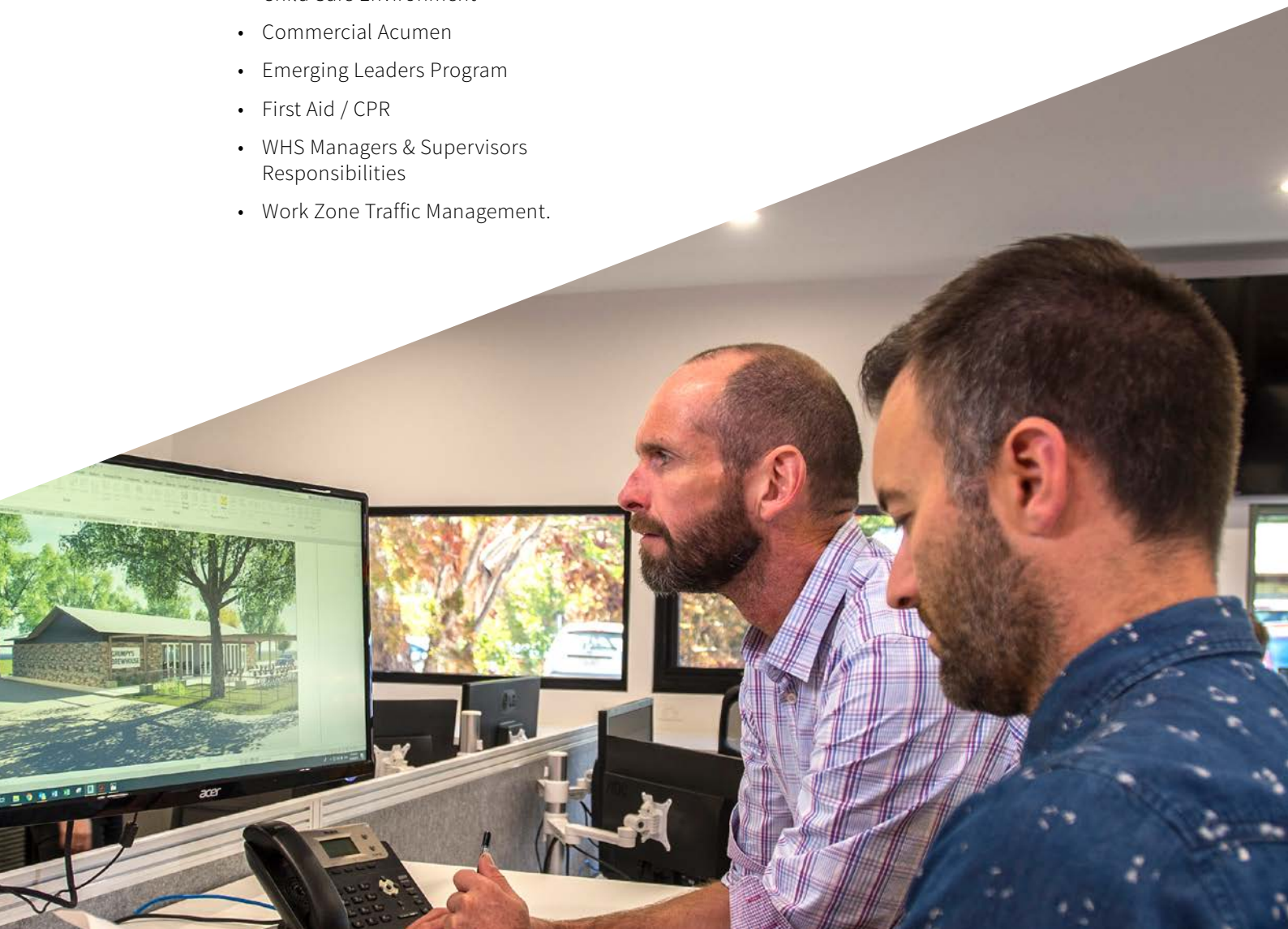
- Child Safe Environment
- Commercial Acumen
- Emerging Leaders Program
- First Aid / CPR
- WHS Managers & Supervisors Responsibilities
- Work Zone Traffic Management.

Council's Workforce Development Strategy focuses on the following areas:

- Developing a Commercial Culture
- Retaining & Attracting a Diverse Workforce
- Continuous Improvement, Innovation & Leveraging Technology.

Council implemented a range of wellbeing and lifestyle programs including:

- Audiometric Testing
- COVID-19 Wellness Programs
- Health Assessments
- Mental Health First Aid.



Committees

Audit and Risk Committee

The Audit and Risk Committee met six times this year.

Its purpose is to enquire, observe and then report to Council its concerns and observations that relate to Council operations, policies, risk and compliance. The Audit and Risk Committee has received regular reports as per its work plan that is derived from its Terms of Reference.

Members of the Committee:

Independent Members

Michael Bails (Chairperson),
Chris Howis (resigned 1 June 2020),
Greg Holman (resigned 9 December 2019),
Pamela Lee (appointed 4 March 2019),
Michele Bennetts (appointed 2 March 2020)

Council Member

Cr Hardingham

Sitting Fees are paid to independent members – Chairperson – \$491, other independents \$369 per meeting attended.

Community Grants Assessment Committee

The Community Grants Assessment Committee met three times during the year.

Its purpose is to report to Council appropriate recipients for community grants and discretionary rebates.

Members of the Committee:

Chair

Mayor Ann Ferguson, Cr Ian Grosser,
Cr Narelle Hardingham,
Cr Samantha Jones, Cr Bradley Orr

Regional Sports Hub Board

The Regional Sports Hub Board was established in September 2019 and have met once.

The Board is accountable to Council and its role and objective is to:

- ensure that the facility is promoted and that there is maximum participation while seeking to minimise the cost;
- set the strategic direction and govern the operational management;
- be responsible for the strategic, financial and governance aspects;
- establish and manage lease/licence agreements with users;
- consider commercial arrangements;
- direct all activity on the site; and
- provide advice to Council on matters referred to the Board by Council.

Members of the Board:

Independent Members

Chairperson Iain Evans, Jane Russo,
Paul Brown, Peter Scargill

Council Member

Cr Jones

The Independent Chairperson receives an annual payment of \$10,000 and other independents receive \$3250 per annum.



Strategic Planning & Development Policy Committee

The Strategic Planning and Development Policy Committee met once this year on the 17 February 2020.

Its purpose is to provide advice to the Council on strategic planning and development policy matters.

Committee Membership comprised the whole Council.

Council Assessment Panel

The CAP met ten times this year and considered 14 reports:

- 12 merit applications
- 2 non-complying applications
- 0 were granted Development Approval
- 10 were granted Development Plan consent
- 2 were granted development plan consent subject to Development Assessment Commission concurrence
- 1 application was refused
- 1 application was deferred until the following meeting for a decision.

The Mount Barker District Council Assessment Panel (CAP) was appointed as a relevant authority under Section 82 and 83 of the Planning, Development and Infrastructure Act 2016 (Act) by resolution of the Mount Barker District Council (the Council) on 3 July 2017.

The CAP is a relevant authority under the Act and, during transition to the Act, will act as a delegate of the Council for the purpose of the Development Act 1993.

Members of the CAP were:

Mike Canny (Presiding Member), Judith Urquhart, Tom Gregory and Cr Carol Bailey.

Sitting fees for the Chairperson – \$493
and other members \$415





Council Member Meeting Attendance

During 2019/20 Council held 15 meetings:

Mayor Ann Ferguson	14
Cr Narelle Hardingham	14
Cr David Leach	15
Cr Harry Seager	15
Cr Simon Westwood	13
Cr Carol Bailey	15
Cr Ian Grosser	15
Cr Samantha Jones (Deputy Mayor December – June)	12
Cr Bradley Orr	15
Cr Tess Minett	14
Cr Greg Morrison (Deputy Mayor July – November)	13

List of Codes

The list of Codes required under the Local Government Act is:

- Code of Conduct for Council Members (prescribed by regulation)
- Employees Code of Conduct (partially prescribed by regulation)
- Code of Practice – (for Access to Council, Committee Meetings and Documents).

In addition Council has an optional Code:

- Code of Practice for Meeting Procedures.

List of Registers

Under the Local Government Act 1999 the following Registers are required:

- Council Members Registers of Interest
- Officers Registers of Interest
- Register of Allowances and Benefits
- Officers Register of Remuneration, Salaries and Benefits
- Register of Community Land
- Register of Public Roads
- Register of By-Laws
- Register of Fees and Charges.

Confidential Items

Total Number of orders made under S 90(2) in 2019/20 – 11

The following confidential orders were made:

Order made under 90(3)(a)

(a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

		Section 91(7) Order
2 Sep 19	CEO's Annual Performance Review	No
20 Jan 20	Appointment of Independent Members, Payment of An Annual Fee and Appointment of a Council Member to the Regional Sports Hub Board	Yes
2 Mar 20	Appointment of an Independent Member to the Audit and Risk Committee	Yes

Orders made under 90(3)(b)

(b) Information the disclosure of which:

(i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to conduct, business or to prejudice the commercial position of the Council.

		Section 91(7) Order
2 Sep 19	Strategic Land Purchase Mount Barker City Centre	Yes
2 Sep 19	Regional Indoor Aquatic and Leisure Centre	Yes
16 Sep 19	City Centre Catalyst Development: Expression of Interest	Yes
2 Mar 20	City Centre Catalyst Development: Expression Of Interest	Yes
30 Mar 20	Audit and Risk Committee Confidential Report – Draft Long Term Financial Plan	Yes

Orders made under 90(3)(b) & (k)

(b) Information the disclosure of which:

(i) could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to conduct, business or to prejudice the commercial position of the Council.

And Tenders

4 Nov 19	Kerbside Waste Contract Amendments
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Orders made under 90(3)(h)

Legal Advice

3 Feb 20	Recycled Water Storage
6 Apr 20	Recycled Water Use And Storage

The following confidential items were revoked during the financial year:

Date	Topic
15/2/2016	The Cedars Marketing & Pre-Feasibility Study – Attachment
4/7/2016	Proposed Sale of Portions of Unmade Road known as Haines Road, Mount Barker
7/8/2017	Hillgrove Resources Debt
6/11/2017	Hillgrove Resources Debt to Council Update
15/1/2018	2018 Strategic Land Acquisition
5/2/2018	Hillgrove Resources Debt to Council – Further Update
3/9/2018	Regional Hub Precinct Plan And Regional Indoor Aquatic/Leisure Detailed Concept
5/11/2018	Recycled Water
21/1/2019	Proposed Strategic Land Acquisition
4/3/2019	Appointment of Additional Audit and Risk Committee Member
1/4/2019	Appointment to Adelaide Hills Reconciliation Working Group
20/1/20	Appointment of Independent Members, Payment of An Annual Fee and Appointment of a Council Member to the Regional Sports Hub Board

20 items remain operative or part operative at the end of the financial year as listed below (excluding orders made before November 2010):

Date	Topic
3/12/12	Adelaide Hills Region Waste Management Authority (AHRWMA)
17/6/13	October 2008 Ombudsman's report
17/6/13	December 2008 Ombudsman's report
17/6/13	2009 Ombudsman's report
16/12/13	AHRWMA
16/12/13	Outcome of First Stage Office and Multi-level Carpark EOI
23/6/14	Multi-Deck Car Park & Council Office Accommodation
18/5/15	Regional Tender for Waste, Recycling, Green Organics & Street Litter Bin Collection Services for Recycling /Green Organics Processing Services
21/3/16	Council Wastewater Services New Customer
6/6/16	Mount Barker Tourist and Caravan Park
6/6/16	AHRWMA – Offer from Resource Co
15/8/16	Rate Relief Remission – Long Term Debt Mt Barker Springs
17/10/16	Mt Barker City Centre Land Strategy
24/4/17	Appointment of External Auditor
16/1/17	Public Lighting Services Business Case
1/5/17	Adelaide Hills Region Waste Management Authority
4/9/17	Adelaide Hills Region Waste Management Authority
4/12/17	Mount Barker Wastewater Treatment Plant – CMF Upgrade – Project Close Out
7/5/18	Recycled Water Initiatives
1/4/19	Proposed Disposal of 64 Alexandrina Road Mt Barker

National Competition Policy

The following statement has been prepared in accordance with the reporting requirements of Clause 7 Statement on the application of competition principles to Local Government under the Competition Principles Agreement.

Competitive neutrality measures applied to each significant business activity has continued.

The By-laws related to Moveable Signs, Local Government Land and Roads have potential to restrict competition, however the benefits outweigh that potential.

Category 1

Category 1 applies to business activities with annual revenue in excess of \$2 million or employing assets with a value in excess of \$20 million which includes:

- Community Wastewater Management Scheme (CWMS).

Category 2

Category 2 applies to all other significant business activities which includes:

- Mount Barker Tourist Park
- Windmill Hill Waste Transfer Station
- Various Council owned building/properties which are leased or managed.

No complaints were received and therefore none were referred to the State Competition Commissioner.



Customer Request Management (CRMs)



Information and Communications Technology (ICT)

- Development of a draft Smart Community Strategy.
- Implementation of an online engagement tool to facilitate community consultation and engagement (Community Connections).
- Implementation of corporate hardware and software to improve mobility and remote access services.
- Upgrade corporate virtual desktop operating environment to Windows 10.
- Implement the use of multi-factor authentication for all remote access sessions, thereby continuing to improve both technical and business security.
- Support council wide remote working and meetings.
- Proactive maintenance and planned renewal of the IT environment.

Business Improvement

The Business Systems and Innovation team have been focused on a number of value adding projects aimed at improving council's efficiency and effectiveness in both the administration and delivery of services to the community.

These projects include:

- Development of a draft Smart Community Strategy intended to provide guidance on council's role in enabling the positive impact technology can have on community wellbeing and sustainability
- Commencement of a number of innovative "Smart" technology projects aimed at improving the management of council's public assets and recreational facilities
- The introduction and deployment of Business Process and Robotic Automation technology to drive digital transformation and significantly improve business process efficiency and enhance the effectiveness of council business systems and services
- Testing and deployment of digital asset maintenance technology has also commenced in the area of Wastewater Management intended to improve asset management outcomes whilst reducing the cost of maintenance and repairs.

Procurement

During the 2019/20 financial year Council engaged a total of 271 local contractors (Mount Barker/Alexandrina/Adelaide Hills), or 33% of our total suppliers used.

Significant Tenders

Regional Sports Hub Construction Stage 1 and 2	(\$16.8M)
Regional Sports Hub Lighting	(\$916k)
Western Lagoon Desludging and Rehabilitation	(\$926k)
Roads to Recovery and Proctor Road	(\$964k)
Eastern Sector Trunk Main	(\$583k)
Springs Road Construction Stage 3	(\$768k)



financial statements

Council's Financial Statements	71
AHRWMA Financial Statements	131
SHLGA Financial Statements	189

An aerial photograph of a pine forest. In the center, a group of people are sitting on a red patterned blanket on the grass, having a picnic. To the left, a child is standing near a tree trunk. The forest floor is covered in pine needles and grass, with long shadows cast by the trees. The image is used as a background for the financial statements cover.

General Purpose Financial Statements

for the year ending 30 June 2020



MOUNT BARKER
DISTRICT COUNCIL

Mount Barker District Council

General Purpose Financial Statements for the year ended 30 June 2020

Table of Contents	Page
1. Council Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	53
5. Independent Auditor's Report - Internal Controls	55
6. Certificates of Audit Independence	
- Council Certificate of Audit Independence	57
- Audit Certificate of Audit Independence	58

Mount Barker District Council

General Purpose Financial Statements for the year ended 30 June 2020

Certification of Financial Statements

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

In our opinion:

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



Andrew Stuart
CHIEF EXECUTIVE OFFICER



Ann Ferguson
MAYOR

Date: 2 November 2020

Mount Barker District Council

Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	41,918	39,468
Statutory Charges	2b	1,531	1,370
User Charges	2c	2,613	2,612
Grants, Subsidies and Contributions	2g	3,043	4,703
Investment Income	2d	136	201
Reimbursements	2e	440	622
Other Income	2f	464	403
Net Gain - Equity Accounted Council Businesses	19	69	161
Total Income		50,215	49,540
Expenses			
Employee Costs	3a	15,826	15,787
Materials, Contracts & Other Expenses	3b	21,656	21,004
Depreciation, Amortisation & Impairment	3c	11,121	8,976
Finance Costs	3d	368	314
Total Expenses		48,971	46,081
Operating Surplus / (Deficit)		1,244	3,459
Asset Disposal & Fair Value Adjustments	4	(1,297)	(461)
Amounts Received Specifically for New or Upgraded Assets	2g	7,417	8,806
Physical Resources Received Free of Charge	2i	33,017	14,671
Net Surplus / (Deficit) ¹		40,381	26,474
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I, PP&E	9a	3,239	(14,159)
Total Other Comprehensive Income		3,239	(14,159)
Total Comprehensive Income		43,619	12,315

¹ Transferred to Statement of Changes in Equity

Mount Barker District Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	3,858	8,678
Trade & Other Receivables	5b	6,053	5,401
Inventories	5c	6	2
Subtotal		9,917	14,081
Non-Current Assets Held for Sale	20	2,783	2,223
Total Current Assets		12,700	16,304
Non-Current Assets			
Financial Assets	6a	1,654	1,508
Equity Accounted Investments in Council Businesses	6b	476	407
Infrastructure, Property, Plant & Equipment	7a	565,820	516,369
Other Non-Current Assets	6c	12,318	9,532
Total Non-Current Assets		580,268	527,816
TOTAL ASSETS		592,969	544,119
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	11,747	7,078
Borrowings	8b	1,838	218
Provisions	8c	2,249	2,281
Total Current Liabilities		15,834	9,577
Non-Current Liabilities			
Borrowings	8b	8,313	6,733
Provisions	8c	287	407
Total Non-Current Liabilities		8,600	7,140
TOTAL LIABILITIES		24,434	16,717
Net Assets		568,535	527,402
EQUITY			
Accumulated Surplus		251,084	210,532
Asset Revaluation Reserves	9a	298,224	294,984
Other Reserves	9b	19,227	21,886
Total Council Equity		568,535	527,402

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 4

Mount Barker District Council

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		210,532	294,984	21,886	527,402
Adjustments (Correction of Prior Period Errors)	24a	(2)	1	-	(1)
Adjustments (due to compliance with revised Accounting Standards) - not retrospective	24b	-	-	(2,486)	(2,486)
Restated Opening Balance		210,530	294,985	19,400	524,915
Net Surplus / (Deficit) for Year		40,381	-	-	40,381
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	3,239	-	3,239
Other Comprehensive Income		-	3,239	-	3,239
Total Comprehensive Income		40,381	3,239	-	43,619
Transfers between Reserves		173	-	(173)	-
Balance at the end of period		251,084	298,224	19,227	568,535
2019					
Balance at the end of previous reporting period		189,564	309,143	16,380	515,087
Net Surplus / (Deficit) for Year		26,474	-	-	26,474
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(14,159)	-	(14,159)
Other Comprehensive Income		-	(14,159)	-	(14,159)
Total Comprehensive Income		26,474	(14,159)	-	12,315
Transfers between Reserves		(5,506)	-	5,506	-
Balance at the end of period		210,532	294,984	21,886	527,402

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 5

Mount Barker District Council

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		48,363	47,612
Investment Receipts		136	201
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(37,159)	(34,820)
Finance Payments		(344)	(317)
Net Cash provided by (or used in) Operating Activities	11b	10,996	12,676
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		10,101	8,806
Sale of Replaced Assets		321	288
Sale of Surplus Assets		39	568
Repayments of Loans by Community Groups		4	2
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(6,800)	(7,164)
Expenditure on New/Upgraded Assets		(19,372)	(13,361)
Loans Made to Community Groups		(150)	-
Net Cash provided by (or used in) Investing Activities		(15,856)	(10,862)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		1,536	123
<u>Payments</u>			
Repayments of Borrowings		(843)	(197)
Repayment of Lease Liabilities		(641)	-
Repayment of Bonds & Deposits		(11)	-
Net Cash provided by (or used in) Financing Activities		41	(74)
Net Increase (Decrease) in Cash Held		(4,820)	1,740
plus: Cash & Cash Equivalents at beginning of period	11	8,678	6,938
Cash & Cash Equivalents at end of period	11	3,858	8,678

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 6

Mount Barker District Council

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	15
3	Expenses	18
4	Asset Disposal & Fair Value Adjustments	19
	Current Assets	
5a	Cash & Cash Equivalent Assets	20
5b	Trade & Other Receivables	20
5c	Inventories	20
	Non-Current Assets	
6a	Financial Assets	21
6b	Equity Accounted Investments in Council's Businesses	21
6c	Other Non-Current Assets	21
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	22
7b	Valuation of Infrastructure, Property, Plant & Equipment	23
	Liabilities	
8a	Trade & Other Payables	27
8b	Borrowings	27
8c	Provisions	27
	Reserves	
9a	Asset Revaluation Reserve	28
9b	Other Reserves	28
10	Assets Subject to Restrictions	30
11	Reconciliation to Statement of Cashflows	31
12a	Functions	32
12b	Components of Functions	33
13	Financial Instruments	34
14	Capital Expenditure and Investment Property Commitments	37
15	Financial Indicators	38
16	Uniform Presentation of Finances	40
17	Leases	41
18	Superannuation	43
19	Interests in Other Entities	44
20	Non Current Assets Held for Sale & Discontinued Operations	44
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	45
22	Events After the Statement of Financial Position Date	45
23	Related Party Transactions	46
24	Equity - Retained Earnings and Revaluation Reserves Adjustments	47

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15 October 2020.

1.2 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 these Notes.

1.3 Rounding

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

2 The Local Government Reporting Entity

Mount Barker District Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 6 Dutton Road, Mt Barker, SA 5251. These consolidated financial statements include the Council's direct operations and all entities through which Council

controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Council has an investment in the following subsidiaries, which are detailed in Note 19:

- Adelaide Hills Waste Management Authority
- Southern & Hills Local Government Association

3 Income Recognition

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

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$1,676,156	\$1,582,607	+\$93,549
2018/19	\$2,345,179	\$1,675,632	+\$669,547
2019/20	\$1,304,017	\$1,670,725	-\$366,708

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

5.1 Other Real Estate Held for Resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 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.

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies (continued)

6.2 Materiality

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

Bridges & Major Culverts	\$5,000
Buildings & Other Structures	\$10,000
Furniture, Plant & Equipment	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Recreation & Other Structures	\$5,000
Road Assets	\$5,000
Stormwater Drainage	\$5,000
Wastewater & Water Assets	\$5,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are listed below. 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.

Bridges & Major Culverts	80 to 100 years
Building & Other Structures	20 to 300 years
Paving & Footpaths, Kerb & Gutter	15 to 80 years
Plant, Furniture & Equipment	5 to 20 years
Recreation & Other Structures	5 to 200 years
Road Assets	15 to 270 years
Stormwater Drainage	80 to 120 years
Wastewater & Water Assets	5 to 100 years

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies (continued)

7.2 Payments Received in Advance & Deposits

Amounts other than grants 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

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings 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 oncosts) 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 oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 5% (2019, 16%)

Weighted avg. settlement period 0.60 years (2019, 0.55 years)

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

10 Leases

Accounting policy applicable from 1 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

10.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	5 years
Printers	4 years

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies (continued)

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii.) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 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.

13 New and amended accounting standards and interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Mount Barker District Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

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

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. 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.

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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 \$2,485,818.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	Amounts prepared under	
	AASB 15/1058	Previous AASB
	\$'000	\$'000
Grants, subsidies and contributions	\$3,043	\$4,110
Amounts received specifically for new and upgraded assets	\$7,417	\$7,207
	\$10,460	\$11,317

AASB 16 Leases

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

Adoption of AASB 16 Leases (AASB 16)

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Council has lease contracts for various items of property and

equipment. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
Assets	
Infrastructure, Property, Plant & Equip.	
- Right-of-Use-Assets	\$3,149
Trade & Other Receivables	
- Prepayments	(\$51)
Total Assets	\$3,097
Liabilities	
Interest-bearing loans and borrowings	
- Lease Liability	\$3,097
Total Liabilities	\$3,097
Accumulated Surplus	nil

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies (continued)

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019	\$1,777
Effect of discounting using the weighted average incremental borrowing rate as at 1 July 2019 of 1.65%	(\$38)
Less:	
Commitments relating to leases of low-value assets	(\$4)
Add:	
Remeasurement of lease liability - Building	\$1,362
Lease liabilities as at 1 July 2019	\$3,097

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Effective for NFP annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

14 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

15 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Mount Barker District Council

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

Note 2. Income

\$ '000	Notes	2020	2019
(a). Rates Revenues			
General Rates			
General Rates		30,602	28,901
Less: Mandatory Rebates		(458)	(390)
Less: Discretionary Rebates, Remissions & Write Offs		(82)	(80)
Total General Rates		30,062	28,431
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,615	1,539
Water Supply		8	8
Wastewater		6,725	6,084
Waste Management		3,061	2,903
Mount Barker Separate Rate		115	115
Hahndorf Separate Commerce Rate		110	105
Meadows Water Supply		21	20
Total Other Rates		11,655	10,774
Other Charges			
Penalties for Late Payment		145	181
Legal & Other Costs Recovered		56	82
Total Other Charges		201	263
Total Rates Revenues		41,918	39,468
(b). Statutory Charges			
Building & Development Act Regulatory Fees		648	620
Septic Tank Inspection Fees		222	194
Animal Registration Fees & Fines		351	313
Parking Fines / Expiation Fees		68	58
Other Licences, Fees & Fines		56	60
Sundry		94	40
Rates Search Fees		92	85
Total Statutory Charges		1,531	1,370
(c). User Charges			
Cemetery Fees		92	110
Sundry		17	28
Sale of Reclaimed Water		619	788
Mount Barker Tourist Park		884	843
Rental of Council Facilities		460	415
Waste Dumping Fees		541	428
Total User Charges		2,613	2,612

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		49	142
- Banks & Other		43	58
- Loans to Community Groups		1	1
Premiums & Discounts Recognised		43	-
Total Investment Income		136	201
(e). Reimbursements			
Library		103	196
Immunisation		15	38
Sundry		248	240
Other		74	148
Total Reimbursements		440	622
(f). Other Income			
Insurance & Other Recoupments		221	95
Sundry		142	215
Contributions and Donations		101	93
Total Other Income		464	403
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		7,417	8,806
Total Amounts Received Specifically for New or Upgraded Assets		7,417	8,806
Other Grants, Subsidies and Contributions		3,043	3,318
Individually Significant Item - Additional Grants Commission Payment (refer below)		-	1,385
Total Other Grants, Subsidies and Contributions		3,043	4,703
Total Grants, Subsidies, Contributions		10,460	13,508
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		2,963	2,216
State Government		3,636	4,697
Other		3,861	6,596
Total		10,460	13,508
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income			

Refer to Note 1 for details of Grant Commission (FAG) grant payment recognised as income.

Mount Barker District Council

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

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		13,854	7,463
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Recreation Infrastructure		(1,594)	(423)
Other		(2,561)	(720)
Subtotal		(4,155)	(1,142)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		739	835
Recreation Infrastructure		731	1,216
Other		2,923	5,482
Subtotal		4,393	7,533
Unexpended at the close of this reporting period		14,091	13,854
Net increase (decrease) in assets subject to conditions in the current reporting period		237	6,391
(i). Physical Resources Received Free of Charge			
Land & Improvements		4,132	1,116
Roads, Bridges & Footpaths		14,697	8,560
Stormwater Drainage		6,935	3,754
Wastewater		7,053	1,203
Recycled Water		200	38
Total Physical Resources Received Free of Charge		33,017	14,671

Mount Barker District Council

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

Note 3. Expenses

\$ '000	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		13,095	12,635
Employee Leave Expense		1,847	2,059
Superannuation	18	979	935
Superannuation - Defined Benefit Plan Contributions	18	409	426
Workers' Compensation Insurance		368	379
Other		272	254
Less: Capitalised and Distributed Costs		(1,144)	(901)
Total Operating Employee Costs		15,826	15,787
Total Number of Employees (full time equivalent at end of reporting period)		157	165
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		25	24
- Other Auditors		16	13
Elected Members' Expenses		265	270
Election Expenses		11	151
Operating Lease Rentals - Non-Cancellable Leases (2019 only)	17	-	623
- Minimum Lease Payments		3	-
Lease Expense - Low Value Assets / Short Term Leases			
Subtotal - Prescribed Expenses		320	1,081
(ii) Other Materials, Contracts and Expenses			
Contractors		6,860	6,262
Energy		1,090	1,173
Legal Expenses		235	256
Levies Paid to Government - NRM levy		1,596	1,519
Levies - Other		262	209
Parts, Accessories & Consumables		1,595	1,671
Professional Services		485	181
Sundry		1,890	1,938
Waste Collection & Disposal		3,053	2,547
Septic Tank Clean Outs		463	417
Street Lighting		575	539
Rates Assessments		97	94
Water		219	259
Communication		361	381
Insurance		405	363
Grants, Contributions & Donations		1,000	1,098
Software Licences		723	601
Separate Rates Forwarded		225	220
Cleaning & Hygiene		265	217
Less: Capitalised and Distributed Costs		(63)	(22)
Subtotal - Other Material, Contracts & Expenses		21,336	19,923
Total Materials, Contracts and Other Expenses		21,656	21,004

Mount Barker District Council

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

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		472	493
Infrastructure			
- Road Assets		4,660	4,151
- Wastewater		1,330	1,156
- Drainage		646	569
- Bridges & Major Culverts		415	413
- Footpaths		700	611
- Recreation & Open Space		636	585
Right-of-Use Assets		682	-
Furniture, Plant & Equipment		831	701
Recycled Water		206	194
Subtotal		10,578	8,873
(ii) Impairment			
Capital Work in Progress		543	103
Subtotal		543	103
Total Depreciation, Amortisation and Impairment		11,121	8,976
(d). Finance Costs			
Interest on Loans		290	314
Interest on Leases		46	-
Unwinding of Present Value Discounts		32	-
Total Finance Costs		368	314

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal	321	288
Less: Carrying Amount of Assets Sold	(1,657)	(1,090)
Gain (Loss) on Disposal	(1,336)	(802)

(ii) Assets Surplus to Requirements

Proceeds from Disposal	39	568
Less: Carrying Amount of Assets Sold	-	(227)
Gain (Loss) on Disposal	39	341

Net Gain (Loss) on Disposal or Revaluation of Assets	(1,297)	(461)
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Mount Barker District Council

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

Note 5. Current Assets

\$ '000	Notes	2020	2019
(a). Cash & Cash Equivalent Assets			
Cash on Hand at Bank		2,427	2,055
Deposits at Call		1,431	6,623
Total Cash & Cash Equivalent Assets		3,858	8,678
(b). Trade & Other Receivables			
Rates - General & Other		1,949	1,605
Accrued Revenues		144	224
Debtors - General		3,026	2,612
GST Recoupment		717	758
Prepayments		214	198
Loans to Community Organisations		4	4
Total Trade & Other Receivables		6,053	5,401
Amounts included in receivables that are not expected to be received within 12 months of reporting date.			
Private Works		21	22
(c). Inventories			
Stores & Materials		6	2
Total Inventories		6	2

Mount Barker District Council

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

Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
(a). Financial Assets			
Receivables			
Loans to Community Organisations		4	8
Loan - Hans Heysen Foundation - "The Cedars"		1,650	1,500
Total Receivables		1,654	1,508
Total Financial Assets		1,654	1,508
(b). Equity Accounted Investments in Council Businesses			
Adelaide Hills Regional Waste Management Authority	19	415	369
Southern & Hills Local Government Association	19	61	38
Total Equity Accounted Investments in Council Businesses		476	407
(c). Other Non-Current Assets			
Capital Works-in-Progress		12,318	9,532
Total Other Non-Current Assets		12,318	9,532

Mount Barker District Council

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

Note 7a. Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2019					Asset Movements during the Reporting Period							as at 30/6/2020			
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Transition adjustment - AASB 16	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Trns from/to "Held for Sale" category	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
							New / Upgrade	Renewals		(Note 3c)		(Note 9)	(Note 9)				
\$ '000																	
Land - Community	3	60,852	7,728	-	68,580	-	3,671	-	-	-	-	-	14,215	86,466	-	-	86,466
Land - Other	2	22,254	2,359	-	24,613	-	3,318	-	-	-	(560)	(8,444)	-	18,927	-	-	18,927
Buildings & Other Structures	3	48,819	3,261	8,235	43,845	-	6,568	46	(96)	(472)	-	(5,915)	-	45,175	6,614	7,812	43,976
Infrastructure	3	248,800	-	64,724	184,076	-	12,380	3,450	(919)	(4,660)	-	-	-	257,366	5,231	68,270	194,327
- Road Assets	3	82,850	8,642	23,343	68,149	-	9,131	872	(232)	(1,330)	-	-	3,046	101,564	2,950	24,877	79,637
- Wastewater	3	59,261	1,197	13,270	47,188	-	7,459	-	-	(646)	-	-	-	66,196	1,720	13,916	54,000
- Drainage	3	36,446	31	8,015	28,462	-	187	51	(44)	(415)	-	-	-	36,395	269	8,423	28,241
- Bridges & Major Culverts	3	30,029	784	7,727	23,086	-	4,899	100	(24)	(700)	-	-	-	34,077	1,685	8,400	27,362
- Footpaths	3	11,518	7,480	6,620	12,378	-	1,006	207	(59)	(636)	-	-	-	11,385	8,693	7,182	12,896
- Recreation & Open Space																	
Right-of-Use Assets																	
- Buildings & Other Structures		-	-	-	-	3,071	-	-	-	(663)	-	-	-	-	3,071	663	2,408
- Plant & Equipment		-	-	-	-	78	-	-	(276)	(831)	-	-	-	-	78	19	58
Furniture, Plant & Equipment	2	-	6,806	2,750	4,056	-	-	2,048	-	(831)	-	-	-	-	7,982	2,985	4,998
Recycled Water	3	12,832	454	1,351	11,935	-	449	10	-	(206)	-	-	336	13,665	259	1,400	12,524
Total Infrastructure, Property, Plant & Equipment		613,662	38,742	136,035	516,369	3,149	49,067	6,784	(1,649)	(10,578)	(560)	(14,359)	17,598	671,216	38,550	143,946	565,820
Comparatives		590,355	39,215	121,187	508,383	-	24,110	8,224	(1,317)	(8,873)	-	(14,159)	-	613,662	38,742	136,035	516,369

Mount Barker District Council

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

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on 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.

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.

Mount Barker District Council

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

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

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.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Mount Barker District Council

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

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 2, Council officers applied the market approach for valuation of non specialised land, the market value was deemed to be as per the Valuer General values as at 30 June 2020 or where material valuation information inputs were available such as recent sales of similar land parcel this input was applied.

Land - Level 3, Land which is subject to restriction for its use or sale. ie Community Land, etc or land where there is no active market such as Drainage Reserves or subject to Community Service Obligations. Land assets revaluation was undertaken by Council officers using the Valuer Generals values as at 30 June 2020.

Buildings & Other Structures

Council's Buildings and other structures were revalued at 1st July 2019 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. The valuation technique applied was the depreciated replacement cost approach. The valuation has been indexed at 1st July 2019 based on the Rawlinson's 'Australian Construction Handbook 2019' estimated comparative rates for Adelaide. Unobservable inputs have been utilised and therefore these assets are classified as level 3. All additions after the respective dates are recorded at cost.

Infrastructure

For the purpose of AASB 13 Fair value Measurement, Council has determined classes of infrastructure and level of fair value hierarchy to be Level 3. Level 3 inputs have been applied to these classes of assets as there are no relevant observable inputs (Markets) available and other unobservable inputs have been utilised such as estimates of useful lives, residual values and asset conditions. Therefore these assets are classified as level 3.

Recreation and Open Space Assets were valued by Council officers at depreciated current replacement costs during the reporting period ending 30 June 2013. The values have been adjusted based on Rawlinson's 'Australian Construction Handbook 2013' estimated comparative rates for Adelaide. All additions post 30 June 2013 are held at cost.

Road Assets were revalued as at the 30th June 2019 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Road infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Bridges and Major Culverts Assets were revalued as at the 30th June 2018 by an independent valuer Ashay Prabhu, Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. All additions post 30 June 2018 are held at cost.

All Bridges and Major Culverts infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Mount Barker District Council

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

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

All Bridge infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Footpaths Assets were revalued as at the 30th June 2018 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. All additions post 30 June 2018 are held at cost.

Footpath infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Wastewater Assets were revalued as at the 1st July 2019 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Wastewater infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 1 July 2019 are held at cost.

Recycled Water Assets were revalued as at the 1st July 2019 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

Recycled water infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 1 July 2019 are held at cost.

Drainage Assets were revalued as at the 30th June 2016 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Drainage infrastructure assets were valued using Level 3 valuation inputs using the cost approach.

This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

All acquisitions made after the respective dates are recorded at cost.

Furniture, Plant & Equipment

These assets are recognised on a cost basis.

Mount Barker District Council

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

Note 8. Liabilities

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a). Trade and Other Payables					
Goods & Services		4,491	-	4,046	-
Payments Received in Advance					
- Rates		432	-	-	-
- Grants, Subsidies, Contributions - Operating		1,067	-	-	-
- Grants & Contributions - Capital		2,684	-	-	-
- Other		12	-	35	-
Accrued Expenses - Employee Entitlements		1,786	-	1,633	-
Accrued Expenses - Finance Costs		100	-	108	-
Accrued Expenses - Other		504	-	574	-
Deposits, Retentions & Bonds		671	-	682	-
Total Trade and Other Payables		11,747	-	7,078	-

(b). Borrowings

Loans - LGFA		229	6,427	218	6,733
Lease Liabilities	17	621	1,886	-	-
Other		988	-	-	-
Total Borrowings		1,838	8,313	218	6,733

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

(c). Provisions

Employee Entitlements (including oncosts)		2,249	287	2,281	407
Total Provisions		2,249	287	2,281	407

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land - Community	50,557	14,215	-	-	64,772
Land - Other	10,569	(8,444)	-	-	2,125
Buildings & Other Structures	35,627	(5,915)	-	-	29,712
Infrastructure					
- Road Assets	121,878	-	-	-	121,878
- Wastewater	23,024	3,046	-	-	26,070
- Drainage	9,573	-	-	-	9,573
- Bridges & Major Culverts	24,286	-	-	-	24,286
- Footpaths	10,177	-	-	-	10,177
- Recreation & Open Space	6,594	-	-	-	6,594
Recycled Water	2,700	336	-	-	3,036
Total Asset Revaluation Reserve	294,985	3,239	-	-	298,224
Comparatives	309,143	(14,159)	-	-	294,984

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
Wastewater Maintenance Reserve	4,038	-	(279)	-	3,759
Indirect Developer Contributions	3,006	129	(99)	1	3,037
Infrastructure Fund	738	5	-	-	743
Car Park Reserve	301	-	-	-	301
Refuse Reserve	1,643	59	-	-	1,702
Open Space Development	2,866	-	-	(2,486)	381
Wastewater Infrastructure Fee	4,626	1,602	(1,435)	-	4,792
MDPA Recreation & Open Space	2,396	622	(1,516)	(1)	1,501
MDPA Transport	1,666	739	-	-	2,405
Other Reserves	606	-	-	-	606
Total Other Reserves	21,886	3,156	(3,329)	(2,486)	19,227
Comparatives	16,380	15,647	(10,142)	-	21,886

PURPOSES OF RESERVES

Asset Revaluation Reserves

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).

Mount Barker District Council

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

Note 9. Reserves (continued)

\$ '000

(b). Other Reserves (continued)

Wastewater Reserves

Wastewater Maintenance Reserve - Surplus wastewater service charges raised for the specific purpose of establishing, operating, maintaining, improving and replacing (including by future capital works and depreciation of assets) as per Section 155 of the Local Government Act 1999, LGA Costing Principles for Local Government and ESCOSA principles.

Wastewater Infrastructure Fee Reserve - Surplus wastewater connection fee funds specifically for capital expansion of the wastewater network.

Refuse Reserve

Surplus refuse service charges raised for the specific purpose of maintaining the Council's domestic rubbish collection requirement.

Infrastructure Reserve

A percentage of budgeted general rate for future infrastructure which is reviewed by Council on an annual basis.

Open Space Development

Capital grants from State Government and developers for the development of open space.

Car Park Reserve

Developers capital contribution for the purpose of car parking facilities.

Indirect Developer Contributions

Developers capital contribution for the development of infrastructure within the Mt Barker precinct.

MDPA Recreation & Open Space Reserve

Developer contributions which contribute to Recreation, Sport and Community Infrastructure required due to growth within the 2010 Mount Barker Urban Growth DPA.

MDPA Transport Infrastructure Reserve

Developer contributions which contribute to Transport Infrastructure required due to growth within the 2010 Mount Barker Urban Growth DPA.

Mount Barker District Council

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

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2020	2019
<p>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.</p>			
Cash & Financial Assets			
Open Space Contributions		381	381
Developer Contributions		189	736
Unexpended amounts received from Government		2,116	2,383
Total Cash & Financial Assets		2,686	3,500
Receivables			
Unexpended amounts received from Government		400	-
Total Receivables		400	-
Total Assets Subject to Externally Imposed Restrictions		3,086	3,500

Mount Barker District Council

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

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
(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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	3,858	8,678
Balances per Statement of Cash Flows		3,858	8,678
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		40,381	26,474
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		11,121	8,976
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(69)	(161)
Non-Cash Asset Acquisitions		(33,017)	(14,671)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(7,417)	(8,806)
Net (Gain) Loss on Disposals		1,297	461
Net Movements Other Reserves		(2,486)	-
		9,809	12,274
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(652)	(1,148)
Change in Allowances for Under-Recovery of Receivables		-	187
Net (Increase)/Decrease in Inventories		(4)	7
Net (Increase)/Decrease in Other Current Assets		(0)	(374)
Net Increase/(Decrease) in Trade & Other Payables		1,996	1,606
Net Increase/(Decrease) in Unpaid Employee Benefits		(152)	124
Net Cash provided by (or used in) operations		10,996	12,676
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	33,017	14,671
Total Non-Cash Financing & Investing Activities		33,017	14,671
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		100	150
LGFA Cash Advance Debenture Facility		48,500	16,861

Mount Barker District Council

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$ '000	32,615	30,543	2,806	2,671	29,809	27,872	-	-	-	-
Rates	7,481	6,953	7,731	6,081	(8,213)	(5,951)	1,124	2,591	92,161	80,084
Wastewater & Recycled Water	1,246	3,149	9,459	9,100	(145)	(425)	-	-	316,826	295,192
Field Services	958	992	1,104	1,416	(3,510)	(3,384)	1,131	1,156	-	-
Commercial Assets	1,421	1,558	4,931	4,942	(446)	(341)	689	823	-	-
Community & Customer Services	1,178	1,340	1,624	1,681	(1,282)	(1,270)	50	52	14,093	15,624
Corporate Services	806	754	2,088	2,024	(4,815)	(5,164)	-	34	-	-
Health & Public Safety	703	677	5,518	5,841	(1,931)	(1,892)	-	-	-	-
Planning Policy & Development	5	4	1,936	1,895	(8,010)	(7,210)	49	47	169,474	152,851
Infrastructure & Projects	54	52	8,064	7,262	37	352	-	-	415	369
Asset Management	3,747	3,519	3,711	3,167	-	-	-	-	-	-
Waste Management										
Total Functions/Activities	50,215	49,540	48,971	46,081	1,244	3,459	3,043	4,703	592,969	544,119

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Mount Barker District Council

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

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

RATES

General, separate & other rates.

CORPORATE SERVICES

Chief Executive Officer, Information Communication & Technology, Financial Services, Records & Information Management, People & Culture, Governance & Administration.

ASSET MANAGEMENT

Asset Management, Contracts, Procurement & Depreciation of Assets.

COMMUNITY & CUSTOMER SERVICES

Library, Home & Community Care, Community Development, Customer Services, Hills Community Transport, Community Bus, Marketing & Communications.

FIELD SERVICES

Works Depot, Street Cleaning, Sealed & Unsealed Roads, Bridges, Footways, Traffic Management, Vandalism, Cemeteries, Parks & Gardens & Sporting Facilities, Property Management, Halls & Civic Centres, Public Conveniences, Fire Prevention & Stormwater.

PLANNING & STRATEGIC DEVELOPMENT

Planning Policy & Development Assessment, Building Act, Strategic Planning & Economic Development, Open Space, Visitor Information Centre & Tourism.

HEALTH & PUBLIC SAFETY

Animal Control, Health Inspection, Immunisation, Council By Laws & Parking.

INFRASTRUCTURE & PROJECTS

Project Management, Engineering, Major Capital Works.

WASTEWATER

Water Supply, Community Waste Water Management Schemes, Sewage & Recycled Water.

COMMERCIAL ASSETS

Caravan Park, Pool & Recreation Centre.

WASTE MANAGEMENT

Sanitary & Garbage, Refuse Management & Adelaide Hills Regional Waste Management Authority Equity

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning variable interest rates between 0.25% and 0.45% (2019: 1.00%). Short term deposits are held in either LGFA or NAB at call deposit accounts.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.35% (2019: 6.60%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Mount Barker District Council

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

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 using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable by two instalments annually; interest is charged at a fixed rate of 4.75% (2019: 4.75%). Variable interest cash advance loans are drawn down for short term cash requirements and are charged at a variable interest rate, currently 2.20%.

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash & Equivalents	3,858	-	-	3,858	3,858
Receivables	5,818	21	-	5,839	5,839
Other Financial Assets	-	4	1,650	1,654	1,654
Total Financial Assets	9,676	25	1,650	11,351	11,351
Financial Liabilities					
Payables	7,552	-	-	7,552	7,552
Current Borrowings	1,468	-	-	1,468	1,217
Non-Current Borrowings	-	3,443	4,914	8,358	6,427
Lease Liabilities	657	1,926	-	2,583	2,507
Total Financial Liabilities	9,676	5,370	4,914	19,960	17,703
2019					
Financial Assets					
Cash & Equivalents	8,678	-	-	8,678	8,678
Receivables	5,181	22	-	5,203	5,203
Other Financial Assets	-	8	1,500	1,508	1,508
Total Financial Assets	13,859	30	1,500	15,389	15,389
Financial Liabilities					
Payables	7,043	-	-	7,043	7,043
Current Borrowings	468	-	-	468	218
Non-Current Borrowings	-	1,872	7,036	8,908	6,733
Total Financial Liabilities	7,511	1,872	7,036	16,419	13,994

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	2.20%	1,563	3.35%	1,639
Fixed Interest Rates	3.98%	6,082	4.75%	5,312
		7,644		6,951

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.

Mount Barker District Council

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

Note 13. Financial Instruments (continued)

\$ '000

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.

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	Notes	2020	2019
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		83	2,390
Infrastructure		10,496	1,063
Plant & Equipment		347	362
		10,926	3,815
These expenditures are payable:			
Not later than one year		10,926	3,815
		10,926	3,815

Mount Barker District Council

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

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2020	2020	2019	2018

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	1,244	2.5%	7.0%	3.6%
Total Operating Income	50,215			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	12,868	25.6%	2.3%	5.5%
Total Operating Income	50,215			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). 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. This Adjusted Ratio corrects for the resulting distortion in this key ratio for each year and provides a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	3.2%	4.2%	3.4%
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3. Asset Renewal Funding Ratio

Net Asset Renewals	6,479	77.2%	78.2%	92.4%
Infrastructure & Asset Management Plan required expenditure	8,393			

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.

Mount Barker District Council

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

Note 15. Financial Indicators - Graphs (continued)

<div><div><div>1. Operating Surplus Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>8%</div><div>6%</div><div>4%</div><div>2%</div><div>0%</div></div><div><div>3.6%</div><div>7.0%</div><div>2.5%</div></div><div><div>2018</div><div>2019</div><div>2020</div></div></div></div></div> <div><div>Purpose of Operating Surplus Ratio</div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div> <div><div>Commentary on 2019/20 Result</div><div>2019/20 Ratio2.5%</div><div>Council achieved as required by its Treasury Management Policy and Long Term Financial Plan target operating surplus of at least 1%. In 2019/20 the Federal Government paid the Financial Assistance Grant for future years equating to 0.7% of the surplus ratio.</div></div>
<div><div><div>2. Net Financial Liabilities Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>35%</div><div>30%</div><div>25%</div><div>20%</div><div>15%</div><div>10%</div><div>5%</div><div>0%</div></div><div><div>5.5%</div><div>2.3%</div><div>25.6%</div></div><div><div>2018</div><div>2019</div><div>2020</div></div></div></div></div> <div><div>Purpose of Net Financial Liabilities Ratio</div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div> <div><div>Commentary on 2019/20 Result</div><div>2019/20 Ratio25.6%</div><div>Council has retained its strong financial position and as required to allow Council to deliver on the projects included in the Long Term Financial Plan.</div></div>
<div><div><div>Adjusted Operating Surplus Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>6%</div><div>5%</div><div>4%</div><div>3%</div><div>2%</div><div>1%</div><div>0%</div></div><div><div>3.4%</div><div>4.2%</div><div>3.2%</div></div><div><div>2018</div><div>2019</div><div>2020</div></div></div></div></div> <div><div>Purpose of Adjusted Operating Surplus Ratio</div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div> <div><div>Commentary on 2019/20 Result</div><div>2019/20 Ratio3.2%</div><div>As per the commentary provided above, Council achieved its Treasury Management Policy and Long Term Financial Plan target of achieving an operating surplus ratio of at least 1%.</div></div>
<div><div><div>3. Asset Renewal Funding Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>120%</div><div>100%</div><div>80%</div><div>60%</div><div>40%</div><div>20%</div><div>0%</div></div><div><div>92.4%</div><div>78.2%</div><div>77.2%</div></div><div><div>2018</div><div>2019</div><div>2020</div></div></div></div></div> <div><div>Purpose of Asset Renewal Funding Ratio</div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div> <div><div>Commentary on 2019/20 Result</div><div>2019/20 Ratio77.2%</div><div>Council has developed and adopted Asset Management Plans which provide guidance of when and how much needs to be spent to maintain Council's asset stock.</div></div>

Mount Barker District Council

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

Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	50,215	49,540
less Expenses	(48,971)	(46,081)
Operating Surplus / (Deficit)	1,244	3,459
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(6,800)	(7,164)
<i>add back</i> Depreciation, Amortisation and Impairment	11,121	8,976
<i>add back</i> Proceeds from Sale of Replaced Assets	321	288
Subtotal	4,642	2,100
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(19,372)	(13,361)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	10,101	8,806
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	39	568
Subtotal	(9,232)	(3,988)
Net Lending / (Borrowing) for Financial Year	(3,346)	1,571

Mount Barker District Council

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

Note 17. Leases

\$ '000

Council as a Lessee

Terms and conditions of leases

Buildings & Other Structures

Council currently leases a building at Dutton Road, Mount Barker for use as a civic centre. Lease payments are fixed and indexed on an annual basis.

Plant & Equipment

Council has a lease for photocopiers at various Council owned sites. Lease payments are fixed for the life of the lease agreement.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

	Buildings & Other Structures \$'000	Plant & Equipment \$'000	Total \$'000
2020			
Adoption of AASB 16 at 1 July 2019	3,071	78	3,149
Depreciation charge	(663)	(19)	(682)
Balance at 30 June 2020	2,408	59	2,466

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2020	2019
Balance at 1 July	3,097	-
Accretion of interest	46	-
Payments	(637)	-
Balance at 30 June	2,507	-
Classified as:		
Current	621	-
Non Current	1,886	-

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$636,649.

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 17. Leases (continued)

\$ '000	2020	2019
The following are the amounts recognised in profit or loss:		
Depreciation expense of Right-of-Use Assets	682	-
Interest expense on lease liabilities	46	-
Expense relating to leases of low-value assets	3	-
Total amount recognised in profit or loss	731	-

Council as a Lessor

Leases Providing Revenue to the Council

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.

(i) Investment Property

Council has not classified any Land or Buildings as "Investment Property".

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 18. Superannuation

\$ '000

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

Accumulation only Members

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

Salarylink (Defined Benefit Fund) Members

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

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of 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.

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Profit		Council's Share of Net Assets	
	2020	2019	2020	2019
Regional Subsidiaries	69	161	476	407
Total	69	161	476	407

(a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Southern & Hills Local Government Association	Regional coordination, representing, advocating & marketing	61	38
Adelaide Hills Regional Waste Management Authority	Waste Management	415	369
Total Carrying Amounts - Joint Ventures & Associates		476	407

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Southern & Hills Local Government Association	17%	17%	17%	17%	17%	17%
Adelaide Hills Regional Waste Management Authority	35%	32%	40%	41%	25%	25%

(c) Movement in Investment in Joint Venture or Associate

	Southern & Hills Local Government Association		Adelaide Hills Regional Waste Management Authority	
	2020	2019	2020	2019
Opening Balance	38	-	369	246
Share in Operating Result	23	38	46	123
Council's Equity Share in the Joint Venture or Associate	61	38	415	369

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

\$ '000

Carrying Amounts of Assets

	2020	2019
Land	2,783	2,223
Total Assets	2,783	2,223

As the consideration expected to be received exceeds the carrying amount, these assets have been recognised at the carrying amount.

Mount Barker District Council

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

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial 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 the 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 830 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 appeal against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 22. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 15/10/20.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 23. Related Party Transactions

\$ '000	2020	2019
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Key Management Personnel

Transactions with 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, 18 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,421	1,573
Long-Term Benefits	4	46
Post-Employment Benefits	115	133
Total	1,540	1,752

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	1	1
Total	1	1

Transactions with Council Regional Subsidiary entities:

The information presented below represents additional information relating to transactions recorded during the financial year with Council's Subsidiary entities. The information presented below is in addition to that already disclosed in Note 19. Council is an equity owner of each Regional Subsidiary disclosed in Note 19 along with other Member Councils.

Member Councils have equal representation on the Board of which Council is a member of the following Subsidiaries:

- Adelaide Hills Regional Waste Management Authority
- Southern & Hills Local Government Association

Member Councils have influence on the financial and strategic operational decisions of the Subsidiary given their equal Board member representation.

No one Member Council individually has control over these decisions.

Mount Barker District Council

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

Note 23. Related Party Transactions (continued)

\$ '000

The following material transactions occurred with Regional Subsidiaries during the financial year:

	Payments Made to Entity		Outstanding Balances Owed to the Entity	
	2020	2019	2020	2019
Adelaide Hills Regional Waste Management Authority	1,012	850	87	61
Southern & Hills Local Government Association	24	22	-	-
Total	1,036	872	87	61

Amounts recorded above as outstanding are recorded as a liability in Note 8.

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

(a). Correction of Error/s relating to a Previous Reporting Period

Minor cumulative rounding errors were removed from the accumulated surplus and asset revaluation accounts. The above adjustment had an immaterial impact on the Statement of Financial Position at 1 July 2019.

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments (con'd)

\$ '000

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective (continued)

(i) AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modifications were minor.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Changes in presentation

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- amounts were transferred from the Open Space Development Reserve to Payments in Advance.
- amounts received but not spent under AASB 15 or AASB 1058 have been recorded as Payments in Advance.

Opening contract balances at 1 July 2019

Contract liabilities

- Under AASB 15	1,067
- Under AASB 1058	2,684
Total contract liabilities	3,751

Mount Barker District Council

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

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments (con'd)

\$ '000

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective (continued)

(i) AASB 15 and AASB 1058 (continued)

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

Statement of Financial Position as at 2020

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and Cash Equivalents	3,858	–	–	3,858	
Trade & Other Receivables	6,053	(432)	–	5,621	1
Inventories	6	–	–	6	
Subtotal	9,917	(432)	–	9,485	
Non-current assets classified as held for sale	2,783	–	–	2,783	
Total current assets	12,700	(432)		12,268	
Current liabilities					
Trade & Other Payables	11,747	(3,769)	–	7,978	2
Borrowings	1,838	–	–	1,838	
Provisions	2,249	–	–	2,249	
Total current liabilities	15,834	(3,769)	–	12,065	
Non-current assets					
Financial Assets	1,654	–	–	1,654	
Equity Accounted Investments in Council Businesses	476	–	–	476	
Infrastructure, property, plant and equipment	565,820	–	–	565,820	
Other Non-Current Assets	12,318	–	–	12,318	
Total non-current assets	580,268	–	–	580,268	
Non-current liabilities					
Borrowings	8,313	–	–	8,313	
Provisions	287	–	–	287	
Total non-current liabilities	8,600	–	–	8,600	
Net assets	568,535	3,337	–	571,872	
Equity					
Accumulated Surplus	251,084	1,101	–	252,185	2
Asset Revaluation Reserves	298,224	–	–	298,224	
Other Reserves	19,227	2,236	–	21,463	3
Total equity	568,535	3,337	–	571,872	

Mount Barker District Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments (con'd)

\$ '000

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective (continued)

(i) AASB 15 and AASB 1058 (continued)

- Under AASB 1058, rates payments received before declaration of rates are classified as a payment in advance.
- Under AASB 15 and AASB 1058, Council is required to recognise any payments received in advance as a liability, where payment has been received in advance of completion of performance obligations.
- Unspent capital grants and contributions were transferred from the Open Space Reserve account to the Payments Received in Advance account.

Income Statement for the year ended 30 June 2020

\$ '000	Income Statement and Comprehensive Income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and Comprehensive Income under Previous Revenue Standards	Notes
Revenue	50,215	1,067	—	51,282	4
Other income	7,417	(210)	—	7,207	5
Expenses	48,971	—	—	48,971	
Profit / (Loss) for the year	8,661	857	—	9,518	
Total comprehensive income	43,619	857	—	44,476	

- Operating Grants have been classified as Payments in Advance where performance obligations have not yet been completed.
- Under AASB 1058, unspent capital grants and contributions were transferred from the Open Space Reserve to the Payments in Advance account as at 1 July 2019. Revenue was recognised as at 30 June 2020 for performance obligations that were satisfied during the financial year.

Statement of Cash Flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not materially changed the Statement of Cash flows for the year ended 30 June 2020.

Adjustments to the current year figures for the year ended 30 June 2020

	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Statement of Financial Position			
Total Assets	544,119	-	544,119
Revenue in Advance	35	2,486	2,521
Total Liabilities	16,717	2,486	19,203
Other Reserves	21,886	(2,486)	19,400
Total equity	527,402	(2,486)	524,916

page 50

Mount Barker District Council

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

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments (con'd)

\$ '000

(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective (continued)

(ii) AASB 16 Leases

Council as a lessee

Under AASB 117, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Income Statement on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Financial statement impact of adoption of AASB 16

Council has recognised right-of-use assets and lease liabilities of \$3.23m at 1 July 2019 for leases previously classified as operating leases, or leases that are significantly below market value which were previously off balance sheet.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.65%

Mount Barker District Council

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

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments (con'd)

\$ '000	2020
(b). Changes in Accounting Policies due to Adoption of New Accounting Standards - Not Retrospective (continued)	
(ii) AASB 16 Leases (continued)	
Operating lease commitment at 30 June 2019 per Council financial statements	1,777
Weighted average incremental borrowing rate	1.65%
Discounted using the incremental borrowing rate at 1 July 2019	3,097
Lease liabilities recognised at 1 July 2019	<u>3,097</u>

Council as a lessor

For the arrangements where Council is a lessor, there are no significant accounting policy changes on adoption of AASB 16 except for sub-leases, which have now been classified in relation to the right-of-use asset under the head lease rather than the underlying asset.

Adjustments to the current year figures for the year ended 30 June 2020

	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Statement of Financial Position			
Right-of-Use Assets	-	3,149	3,149
Prepayments	198	(51)	147
Total Assets	544,119	3,097	547,216
Lease Liability	-	3,097	3,097
Total Liabilities	16,717	3,097	19,814
Total equity	527,402	-	527,402

(c). Changes in Accounting Policies due to Adoption of New Accounting Standards - Retrospective

Council made no changes in accounting policies due to adoption of new accounting standards – retrospective

(d). Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

(e) Changes in accounting estimates

Council made no changes in accounting estimates during the year.



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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Mount Barker District Council

Opinion

We have audited the accompanying financial report of the Mount Barker District Council (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 Certificates.

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 4th day of November 2020,
at 214 Melbourne Street, North Adelaide



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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE MOUNT BARKER DISTRICT COUNCIL

Opinion

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

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

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

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

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

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

Limitation on Use

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

Limitations of Controls

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

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

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS



**SAMANTHA CRETEN
PARTNER**

Signed on the 4th day of November 2020
at 214 Melbourne Street, North Adelaide, South Australia, 5006

Mount Barker District Council

General Purpose 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 Mount Barker District Council for the year ended 30 June 2020, the Council's Auditor, Dean Newbery & Partners Chartered Accountants 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*.



Andrew Stuart
CHIEF EXECUTIVE OFFICER



Michael Bails
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 15 October 2020



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F: (08) 8239 0895
E: admin@deannewbery.com.au

ABN: 30 164 612 890

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Mount Barker District Council 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*.

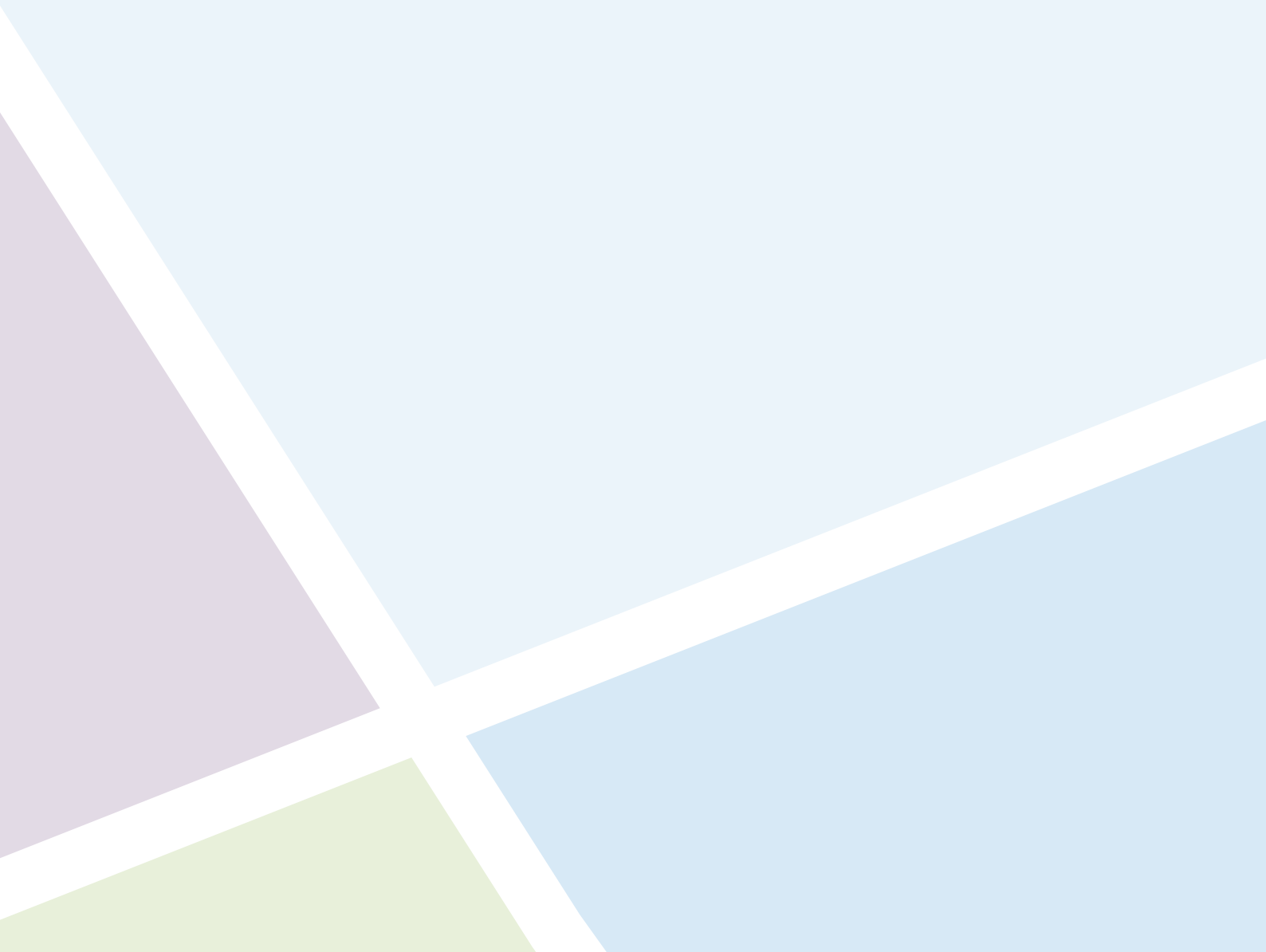
A handwritten signature in black ink, appearing to read 'S. Creten', written over a light blue horizontal line.

SAMANTHA CRETEN

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 9th day of October 2020





2019-20

Annual Report



Bridge to Opportunity

The Rural City of
MURRAY
BRIDGE



Adelaide Hills
COUNCIL



ALEXANDRINA



MOUNT BARKER
DISTRICT COUNCIL

CONTENTS

ABOUT AHRWMA	3
REPORT FROM THE CHAIR	4
AHRWMA SERVICE AREA MAP	5
STRATEGIC DIRECTION	6
GOVERNANCE	7
2019/20 ACHIEVEMENTS	10
LANDFILL OPERATIONS	13
RESOURCE RECOVERY CENTRE OPERATIONS	15
KERBSIDE COLLECTION SERVICES	18
ORGANISATION CHART	21
AUDITED FINANCIAL STATEMENTS	22

AHRWMA Annual Report 2019/20

ABOUT AHRWMA

The Adelaide Hills Region Waste Management Authority (AHRWMA) is a Local Government Regional Subsidiary established by its constituent Councils – the Adelaide Hills Council, The Alexandrina Council, The Mount Barker District Council and The Rural City of Murray Bridge (Member Councils).

Waste management and recycling services for local ratepayers, residents and visitors is a key Local Government function. The Member Councils resolved to work together through the AHRWMA to coordinate waste management and recycling within the region.

The Authority undertakes landfill operations, resource recovery centre management, hooklift truck transport services, mobile crushing and recyclables baling for the benefit of its Member Councils. The AHRWMA provides an avenue for Member Councils to be represented in relevant forums and provides technical waste and resource management advice to Member Councils when required, along with coordinated education services to Member Council communities. The Authority also facilitates a shared Strategic Resource Recovery Coordinator for three of the Member Councils and more recently a Waste to Resource Officer for two Member Councils.

The Authority continues to focus on evaluating waste and recycling services throughout the region to determine where it can add value to Member Councils by applying a resource sharing model.

Mount Barker District Council

Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	41,918	39,468
Statutory Charges	2b	1,531	1,370
User Charges	2c	2,613	2,612
Grants, Subsidies and Contributions	2g	3,043	4,703
Investment Income	2d	136	201
Reimbursements	2e	440	622
Other Income	2f	464	403
Net Gain - Equity Accounted Council Businesses	19	69	161
Total Income		50,215	49,540
Expenses			
Employee Costs	3a	15,826	15,787
Materials, Contracts & Other Expenses	3b	21,656	21,004
Depreciation, Amortisation & Impairment	3c	11,121	8,976
Finance Costs	3d	368	314
Total Expenses		48,971	46,081
Operating Surplus / (Deficit)		1,244	3,459
Asset Disposal & Fair Value Adjustments	4	(1,297)	(461)
Amounts Received Specifically for New or Upgraded Assets	2g	7,417	8,806
Physical Resources Received Free of Charge	2i	33,017	14,671
Net Surplus / (Deficit) ¹		40,381	26,474
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I, PP&E	9a	3,239	(14,159)
Total Other Comprehensive Income		3,239	(14,159)
Total Comprehensive Income		43,619	12,315

¹ Transferred to Statement of Changes in Equity

Mount Barker District Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	3,858	8,678
Trade & Other Receivables	5b	6,053	5,401
Inventories	5c	6	2
Subtotal		9,917	14,081
Non-Current Assets Held for Sale	20	2,783	2,223
Total Current Assets		12,700	16,304
Non-Current Assets			
Financial Assets	6a	1,654	1,508
Equity Accounted Investments in Council Businesses	6b	476	407
Infrastructure, Property, Plant & Equipment	7a	565,820	516,369
Other Non-Current Assets	6c	12,318	9,532
Total Non-Current Assets		580,268	527,816
TOTAL ASSETS		592,969	544,119
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	11,747	7,078
Borrowings	8b	1,838	218
Provisions	8c	2,249	2,281
Total Current Liabilities		15,834	9,577
Non-Current Liabilities			
Borrowings	8b	8,313	6,733
Provisions	8c	287	407
Total Non-Current Liabilities		8,600	7,140
TOTAL LIABILITIES		24,434	16,717
Net Assets		568,535	527,402
EQUITY			
Accumulated Surplus		251,084	210,532
Asset Revaluation Reserves	9a	298,224	294,984
Other Reserves	9b	19,227	21,886
Total Council Equity		568,535	527,402

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 4

AHRWMA Annual Report 2019/20

STRATEGIC DIRECTION

The Vision

“Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge”

The Mission

- To meet Resource Recovery Targets across the region where economically and environmentally justified.
- To continue to develop and manage the Authority’s landfill as an EPA compliant model regional landfill that provides the most cost-effective disposal option for Member Councils and commercial customers.
- To educate the regional community on responsible waste choices that enhance and maintain their environment.

The Objectives

The Authority’s vision and mission will be achieved through five key objectives:

- To take a leadership role in resource recovery and community education.
- Responsibly develop and manage the Authority’s landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.
- Financial sustainability in waste services for Member Councils by pursuing a shared services model.
- Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.
- A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.

GOVERNANCE

Board

The AHRWMA is administered by a Board in accordance with the *Local Government Act (1999)* and AHRWMA Charter. The Board consists of eight Members, being one Elected Member appointed by each Constituent Council and one employee appointed by each Constituent Council. Each Constituent Council also appoints a Deputy Board Member.

The Chairperson and Deputy Chairperson of the Board are elected by ballot of the whole Board from those Board Members who are Elected Members.

The Board held 5 ordinary and 3 special meetings in 2019/20. The Board is responsible for managing all activities of the Authority, ensuring that the Authority acts in accordance with its Charter. The Board's responsibilities include development of strategic and business directions and strategies aimed at improving the business of the Authority. The Board appoints an Executive Officer responsible for implementing the decisions made by the Board and managing the day-to-day operations of the Authority.

2019-20 Board Members (Current)

Rural City of Murray Bridge

Heather Barclay, General Manager Assets & Infrastructure
 Cr Mat O'Brien (vacated position on 14th October 2019)
 Cr Fred Toogood (Commenced 14th October 2019)
 Malcolm Downie, Manager City Assets, Deputy Board Member

Mount Barker District Council

Greg Parker, General Manager Community Services
 Cr Harry Seager (Deputy Chairperson)
 Cr Simon Westwood, Deputy Board Member

Alexandrina Council

Elizabeth Williams, General Manager Resources
 Cr Mike Farrier
 Cr John Carter, Deputy Board Member

Adelaide Hills Council

John McArthur, Manager Waste & Emergency Services
 Cr John Kemp (Chairperson)
 Cr Ian Bailey, Deputy Board Member

Mount Barker District Council

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	15
3	Expenses	18
4	Asset Disposal & Fair Value Adjustments	19
	Current Assets	
5a	Cash & Cash Equivalent Assets	20
5b	Trade & Other Receivables	20
5c	Inventories	20
	Non-Current Assets	
6a	Financial Assets	21
6b	Equity Accounted Investments in Council's Businesses	21
6c	Other Non-Current Assets	21
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	22
7b	Valuation of Infrastructure, Property, Plant & Equipment	23
	Liabilities	
8a	Trade & Other Payables	27
8b	Borrowings	27
8c	Provisions	27
	Reserves	
9a	Asset Revaluation Reserve	28
9b	Other Reserves	28
10	Assets Subject to Restrictions	30
11	Reconciliation to Statement of Cashflows	31
12a	Functions	32
12b	Components of Functions	33
13	Financial Instruments	34
14	Capital Expenditure and Investment Property Commitments	37
15	Financial Indicators	38
16	Uniform Presentation of Finances	40
17	Leases	41
18	Superannuation	43
19	Interests in Other Entities	44
20	Non Current Assets Held for Sale & Discontinued Operations	44
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	45
22	Events After the Statement of Financial Position Date	45
23	Related Party Transactions	46
24	Equity - Retained Earnings and Revaluation Reserves Adjustments	47

Mount Barker District Council

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

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15 October 2020.

1.2 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 these Notes.

1.3 Rounding

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

2 The Local Government Reporting Entity

Mount Barker District Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 6 Dutton Road, Mt Barker, SA 5251. These consolidated financial statements include the Council's direct operations and all entities through which Council

controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Council has an investment in the following subsidiaries, which are detailed in Note 19:

- Adelaide Hills Waste Management Authority
- Southern & Hills Local Government Association

3 Income Recognition

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

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$1,676,156	\$1,582,607	+\$93,549
2018/19	\$2,345,179	\$1,675,632	+\$669,547
2019/20	\$1,304,017	\$1,670,725	-\$366,708

AHRWMA Annual Report 2019/20

2019/20 ACHIEVEMENTS

Landfill & Operations

- Fees and charges have been reviewed and updated, taking into account the waste disposal levy increases for the period.
- The landfill site is being surveyed regularly to ensure adequate cell management.
- A phytocap landfill design is being developed and trialled.
- The landfill cell 8/9 - stage two was constructed and approved for use in March 2020.
- A street sweeping bay was installed at the Brinkley site, directing street sweeping green organics away from landfill and to composting.
- A review of C&D operations has commenced across all sites and the Recycled Products Plan for this material is being updated.

Governance

- The Charter review process was finalised in 2019/20, with the AHRWMA Board adopting the revision and forwarding the revised Charter to Constituent Councils for consideration. Three of the four Constituent Councils have endorsed the revised Charter and one Council will consider it in the coming months.
- A risk evaluation of the AHRWMA was completed by Local Government Risk Services in December 2019 and an action plan addressing this evaluation is now being actioned.

Waste disposal services
are provided at the
Brinkley Landfill.



Resource Sharing, Resource Recovery Centres & Value Add

- Free greens days have been held across the RRCs.
- Hooklift waste and recycling transport services continue to be provided across the Region.
- Positive working relationships have been maintained with Constituent Councils, commercial and non-member local government customers.
- Assistance has continued to be provided to Member Councils regarding the recycling market changes resulting from the China Sword Policy and the AHRWMA has ensured Member Council representation across all forums.
- The AHRWMA has continued to participate in a high-level education working group assisting Green Industries SA with the implementation of a state wide education program titled "Which Bin".
- The Household Paint and Chemical Facility (funded by Green Industries SA) was commissioned at the Heathfield RRC. This facility provides a valuable free service to users across the region.
- The Region was impacted by fire in December 2020, which significantly impacted the Adelaide Hills Council and Mount Barker District Council. The Authority assisted Member Councils with the waste management aspects of this.
- The Authority assisted the Adelaide Hills Council with obtaining funding from Green Industries SA to purchase a polystyrene processing machine, which is soon to be commissioned.



Encouraging food waste composting through the green bin service where available.



AHRWMA Annual Report 2019/20

Finances

- The Audited financials have been completed for the year 2019/20 and are attached.
- The year to 30 June 2020 ended with the AHRWMA achieving a total surplus of \$131,481, compared to a third quarter budget review of net surplus \$27,000.
- The Brinkley Resource Recovery Centre finished \$14,542 ahead of budget for the financial year, while the Heathfield Resource Recovery Centre finished over budget by -\$13,895.

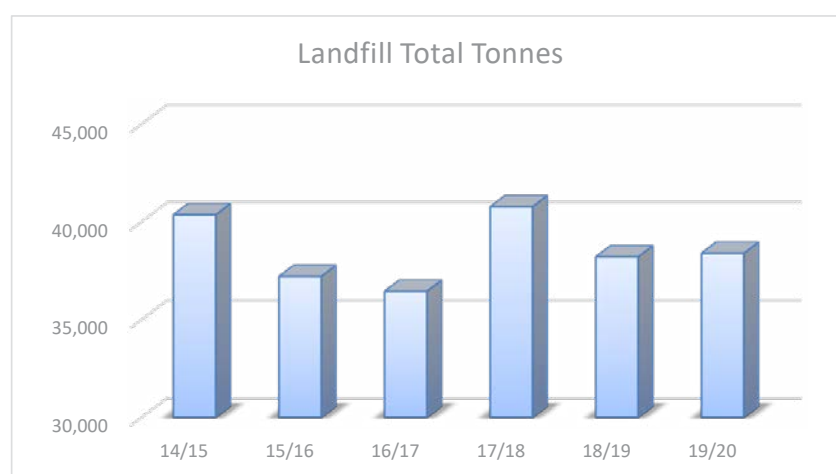


AHRWMA Annual Report 2019/20

LANDFILL OPERATIONS

Brinkley Landfill Statistics

Waste disposed to landfill increased by 182 tonnes in the 19/20 financial year. Overall landfill tonnes are showing an increasing trend, while total Member Council tonnes to landfill have decreased by 466 tonnes.



Non-member Local Government tonnes maintained consistent this financial year while commercial tonnes increased.

The Authority continues to focus on providing quality service and looking at opportunities to value add for customers.

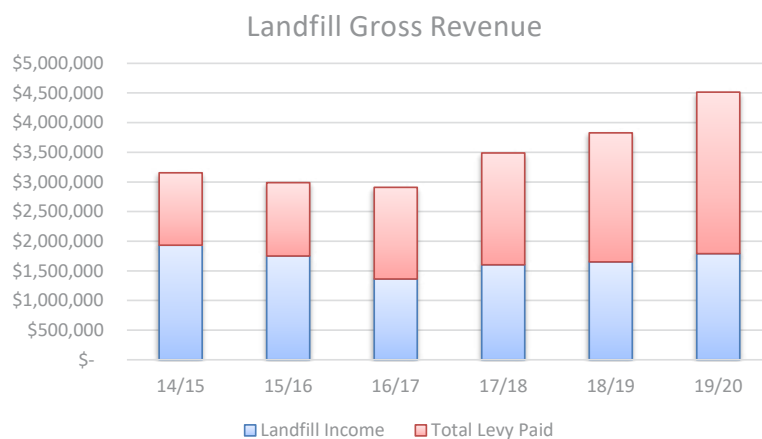
Revenue

Landfill gross revenue increased in 2019/20, which is partially due to the increase in the Solid Waste Disposal Levy.

The Authority is required to pay the Solid Waste Disposal Levy for every tonne of waste disposed to landfill and therefore collects the levy from Member Councils and landfill customers as part of the landfill gate fees.

In 2019/20 the State Government announced a two staged levy increase, the first on July 1, 2019 and the second on January 1, 2020. In July 2020 the levy increased from \$50 to \$55 for non- metropolitan waste, then to \$70 per tonne in January. The Metropolitan Adelaide rate was increased from \$100 to \$110 in July 2019 and then to \$140 per tonne as of 1 January 2020.

AHRWMA Annual Report 2019/20



Financial Indicators

The Authority adopted financial indicators for 2019/20 which are outlined in the table below. The operating surplus ratio exceeded target due to an increase in surplus. The Asset Sustainability Ratio did not meet target as budgeted purchase of a loader did not occur, due to a lack of suitable machines within budget. This purchase will occur in 2020/21. All other targets were met or exceeded.

	Budget	Actual	Short term Adopted Target
Operating Surplus Ratio - Indicator 1	0%	2%	0%
Net Financial Liabilities Ratio - Indicator 2	59%	60%	70%
Interest Cover Ratio - Indicator 3	1%	1%	1.50%
Asset Renewal Funding Ratio - Indicator 4	100%	55%	100%

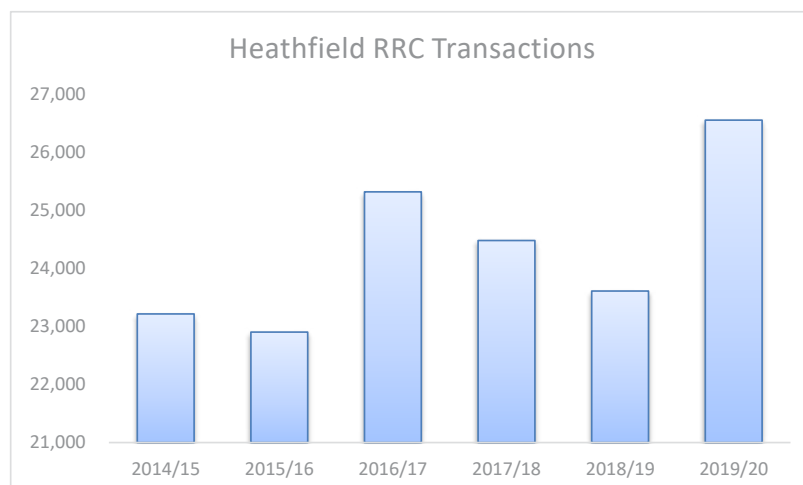
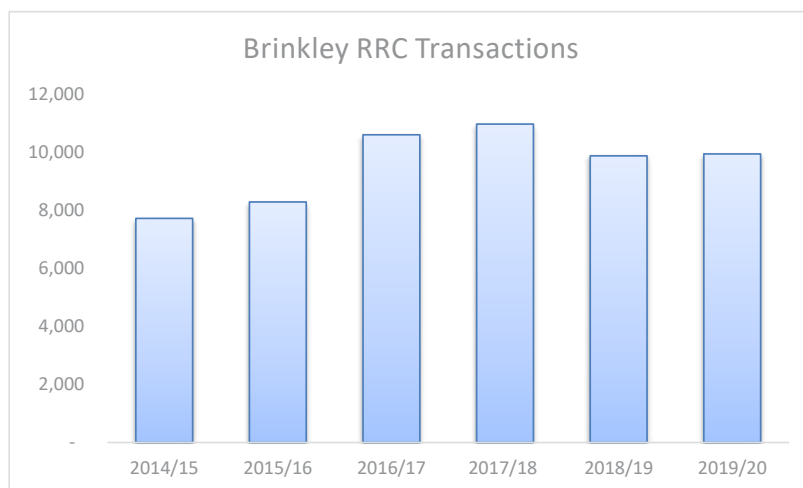
AHRWMA Annual Report 2019/20

RESOURCE RECOVERY CENTRE OPERATIONS

The Authority manages two Resource Recovery Centres (RRCs) on behalf of its Member Councils. These sites are the Heathfield RRC, which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley RRC, which serves the Rural City of Murray Bridge area with an approximate population of 22,000 people.

Site Usage

Both facilities have shown strong customer growth since the Authority commenced operations. The Heathfield customer numbers increased substantially in 2019/20, which is likely a result of increased services, such as the chemical drop off, fire waste disposal and free green organics days.



AHRWMA Annual Report 2019/20

Tonnes to Landfill

The tonnes of waste disposed to landfill from the Heathfield site increased in 2019/20, while Brinkley reduced. It is likely that the increased tonnes at Heathfield is likely a result of increased customer numbers. The Adelaide Hills Council determined to assist their residents with waste disposal in relation to the Cudlee Creek fires and this also resulted in increased tonnages to the site.

The Brinkley RRC waste disposed to landfill reduced as a result of a street sweepings initiative, whereby the street sweepings are now recovered and composted offsite.

All material that can be reused, reprocessed or recycled is removed from the waste stream prior to transportation to landfill. For example, green organics are chipped on site and sold as mulch and construction and demolition material is stored for crushing and reuse as road base.

Resource Recovery Sites - Waste Tonnes to Landfill					
	2015/16	2016/17	2017/18	2018/19	2019/20
Heathfield	2,010	1,840	1,562	1,533	1,719
Brinkley	1,682	1,818	1,719	1,623	1,138

Financials

The Brinkley RRC exceeded the 2019/20 budget target, finishing the year with a net loss of approximately \$19,500, compared to a budgeted loss of \$34,000, a positive variance of \$14,500. The Heathfield site finished the year a net loss of approximately \$33,900, compared to a budget of \$20,000, a negative variance of \$15,290.

The Authority will continue to monitor the Resource Recover Centre budgets and adjust operations where required, aiming to minimise the losses across the site. It is recognised that the sites are operated for community benefit and we aim to recover costs at the sites and work towards a break-even position, without significantly increasing user fees.

We create mulch from greens materials dropped off at our RRCs which is then sold to customers.



AHRWMA Annual Report 2019/20



Since opening in August 2019, the new chemical & paint drop off facility at Heathfield has received

27,712kg of materials, which include

- Water based paint (30%)
- Coolant (20.91%)
- Solvent based paint (8.27%)
- Waste oil (8.13%)
- Gas bottles lpg (6.99%)
- Flammable liquids (6.76%)

We recycled 852 tonnes of metal and E-waste across the RRC sites

We collect asbestos, Drummuster containers and tyres across our RRCs for recycling or appropriate disposal at licenced facilities.



AHRWMA Annual Report 2019/20

KERBSIDE WASTE & RECYCLING COLLECTIONS

Adelaide Hills, Mount Barker & Murray Bridge

The Authority facilitates the shared Strategic Resource Recovery Coordinator (previously the Waste Strategy Coordinator) resource across three of three of the Member Councils: Adelaide Hills Council, Mount Barker District Council and the Rural City of Murray Bridge. The Strategic Resource Recovery Coordinator manages waste services on behalf of the councils.

2019-20 Highlights

In conjunction with our Member Councils the Strategic Resource Recovery Coordinator

Implemented:

- The Mount Barker District Council Waste to Resources Management Plan 2018 – 2025.
- The Circular Procurement Pilot Project, including assisting Council staff to amend procurement processes and documentation to prioritise the purchase of products with recycled-content.
- Educational displays under the Green Industries SA Which Bin brand at the Murray Bridge library and Local Government Centre as per funding received from GISA (Recycle Right Grant).

Gained funding from Green Industries SA for:

- The Regional Transport Subsidies Program for Mount Barker and Murray Bridge Councils to support their continued recycling efforts in response to the challenges presented by China's National Sword Policy.
- The provision of FOGO kitchen caddy bins and compostable bags, including educational and promotional materials to assist with diverting food waste from landfill for Murray Bridge Council. Conducted a 6-month trial to provide fully biodegradable compost bags to residents as part of efforts to reduce landfill and promote the use of green bins for food/organic waste.
- The procurement of a polystyrene (foam) machine at Heathfield Resource Recovery Centre.

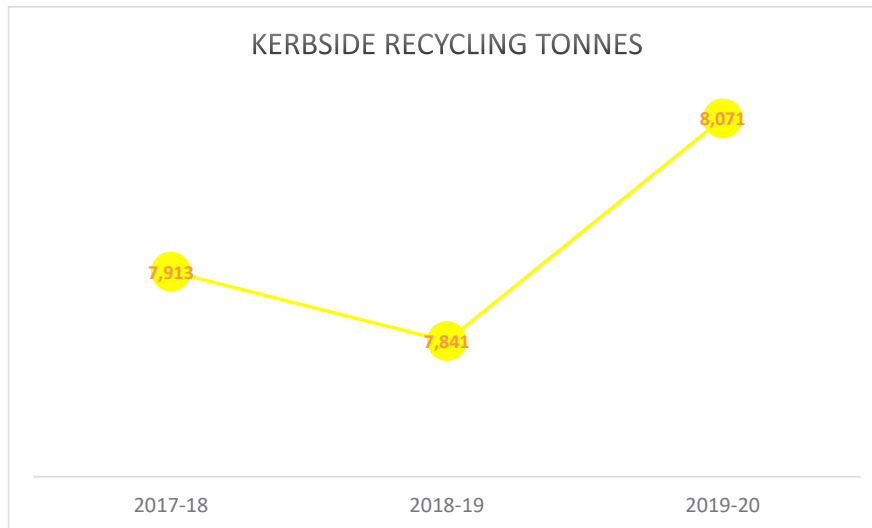
Coordinated and Managed:

- Environmental monitoring at various operating and closed sites. Successfully surrendered EPA licence for Mount Charles former landfill for Adelaide Hills Council and reduced frequency of reporting for the Heathfield Resource Recovery Centre.
- The establishment of free green days at Brinkley Waste and Recycling Facility for 2020.
- Ongoing advice and support with negotiating the kerbside collection contracts at Mount Barker and Murray Bridge Councils in relation to the impact of the China National Sword Policy for recyclables.

AHRWMA Annual Report 2019/20

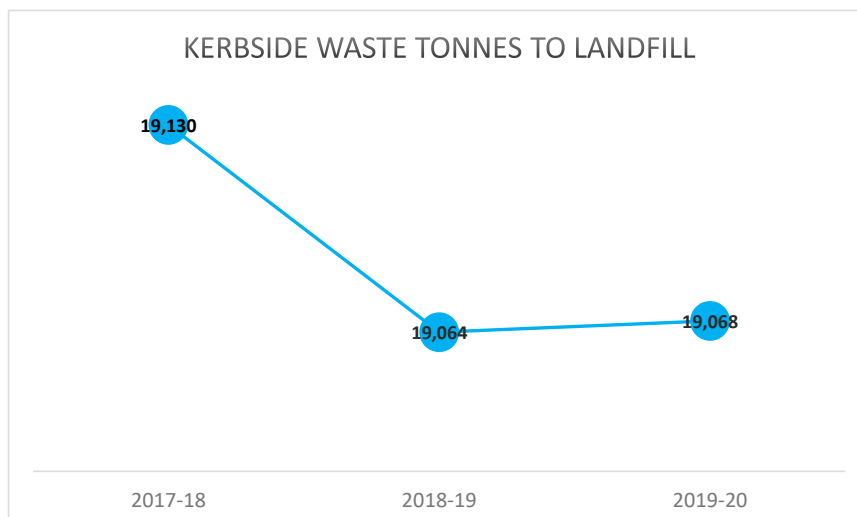
Recycling Service

Across the three Councils a total of 8,071 tonnes of recycling was collected via the kerbside service, which is an increase of 231 tonnes (2.94%) compared to the 2018/19 year (where as there was a decrease of 72 tonnes from the previous 2017/18 year).



Waste Service

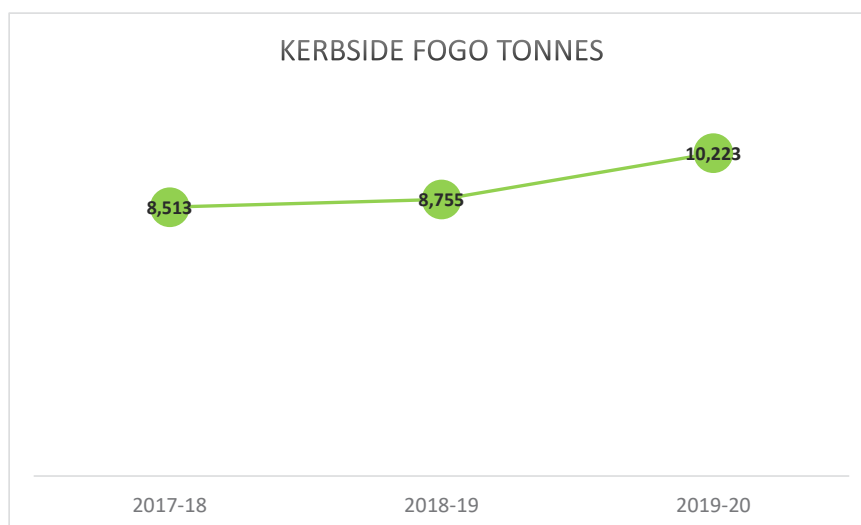
Total kerbside waste disposed to landfill from within the three Member Council regions has remained stable and increased by 4 tonnes (0.02%) in comparison to the previous year, while the population continues to grow.



AHRWMA Annual Report 2019/20

Kerbside Green Organics (FOGO)

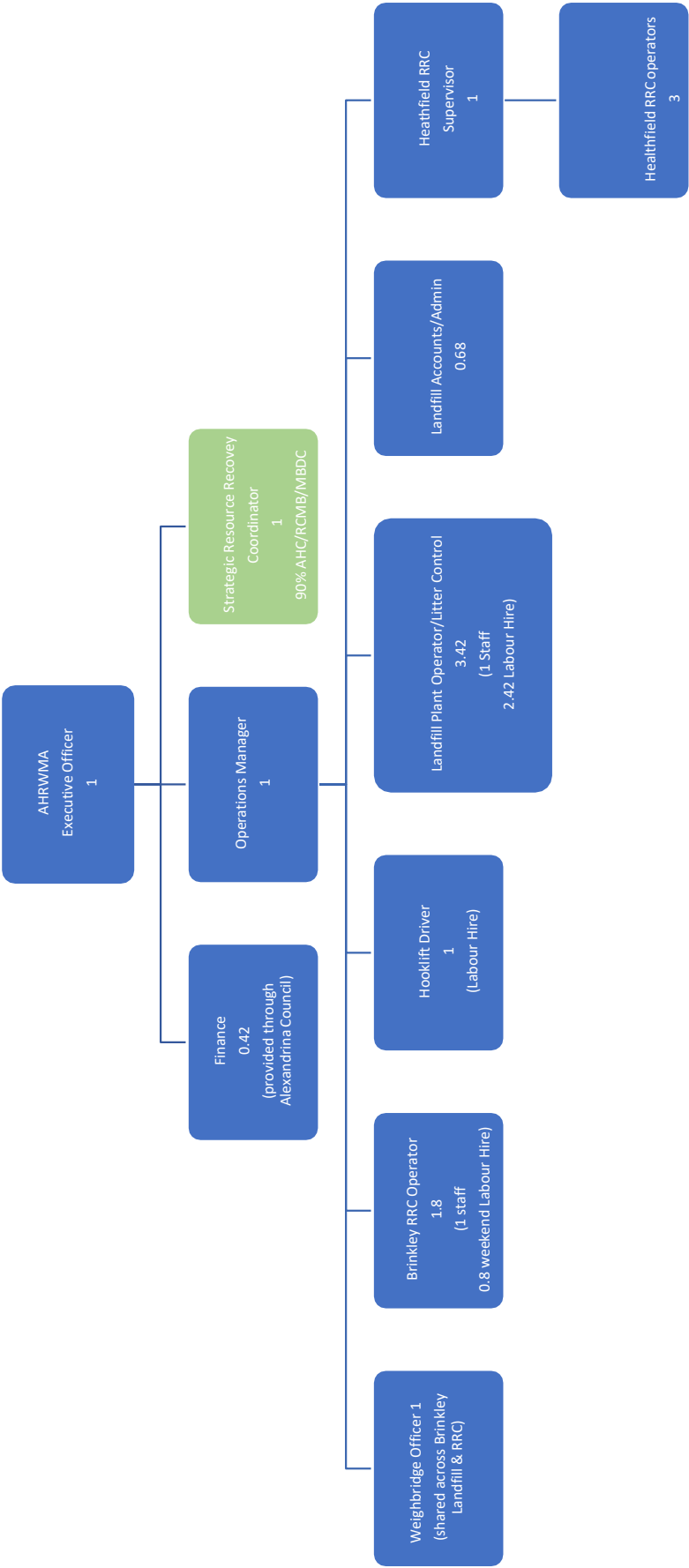
Properties within the Township areas of the three Councils are entitled to a green bin service, which also accepts food waste. The green organics tonnes collected has continued to increase significantly. The 2019/20 financial year saw an increase in green organics of 1,469 tonnes (16.78%) from the previous 2018/19 financial year. It is possible that COVID-19 resulting in an increase in gardening due to people being at home and therefore an increase in green organics.



Coordinating collection services across Murray Bridge and Mount Barker Councils



Organisation Chart 2019/20



Adelaide Hills Region Waste Management Authority
General Purpose Financial Reports
for the year ended 30 June 2020

Table of Contents

	Page #
Certification of Financial Statements	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N6
Note 2 - Income	N12
Note 3 - Expenses	N13
Note 4 - Asset Disposal & Fair Value Adjustments	N15
Note 5 - Current Assets	N16
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	N17
Note 7 - Liabilities	N19
Note 8 - Reserves & Equity	N20
Note 9 - Reconciliation of Cash Flow Statement	N21
Note 10 - Financial Instruments	N22
Note 11 - Expenditure Commitments	N24
Note 12 - Contingent Assets & Contingent Liabilities	N24
Note 13 - Events Occurring After Reporting Date	N24
Note 14 - Uniform Presentation of Finances	N25
Note 15 - Operating Leases	N26
Note 16 - Related Party Disclosures	N27
Constituent Councils Certificate of Audit Independence	
Audit Certificate of Audit Independence	

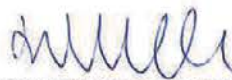
Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Adelaide Hills Region Waste Management Authority 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 Authority'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 Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Leah Maxwell
EXECUTIVE OFFICER



Councillor John Kemp
CHAIR PERSON

Date: 10/9/20

Adelaide Hills Region Waste Management Authority
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
INCOME			
User charges	2	4,451,469	3,827,815
Grants, subsidies and contributions	2	-	11,887
Investment income	2	140	262
Other income	2	2,035,916	2,135,142
Total Income		6,487,525	5,975,106
EXPENSES			
Employee costs	3	1,120,733	1,121,692
Materials, contracts & other expenses	3	4,586,109	3,953,400
Depreciation, amortisation & impairment	3	599,696	481,832
Finance costs	3	50,925	57,531
Total Expenses		6,357,463	5,614,455
OPERATING SURPLUS / (DEFICIT)		130,062	360,651
Asset disposal & fair value adjustments	4	1,419	272
Amounts received specifically for new or upgraded assets	2	-	20,000
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		131,481	380,923
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		131,481	380,923

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

Adelaide Hills Region Waste Management Authority
Statement of Financial Position
as at 30 June 2020

		2020	2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	267,497	309,592
Trade & other receivables	5	614,549	403,816
Inventories	5	2,256	3,791
Total Current Assets		884,302	717,199
Non-current Assets			
Infrastructure, property, plant & equipment	6	4,936,546	4,214,420
Total Non-current Assets		4,936,546	4,214,420
Total Assets		5,820,848	4,931,619
LIABILITIES			
Current Liabilities			
Trade & other payables	7	878,205	661,953
Borrowings	7	1,471,228	1,579,500
Provisions	7	276,221	244,212
Total Current Liabilities		2,625,654	2,485,665
Non-current Liabilities			
Borrowings	7	236,989	-
Provisions	7	1,931,780	1,551,010
Total Non-current Liabilities		2,168,769	1,551,010
Total Liabilities		4,794,423	4,036,675
NET ASSETS		1,026,425	894,944
EQUITY			
Accumulated Surplus		1,026,425	894,944
TOTAL EQUITY		1,026,425	894,944

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

Adelaide Hills Region Waste Management Authority
Statement of Changes in Equity
for the year ended 30 June 2020

		Accumulated Surplus	TOTAL EQUITY
2020	Notes	\$	\$
Balance at end of previous reporting period		894,944	894,944
Net Surplus / (Deficit) for Year		131,481	131,481
Balance at end of period	8	1,026,425	1,026,425
2019			
Balance at end of previous reporting period		514,021	514,021
Net Surplus / (Deficit) for Year		380,923	380,923
Balance at end of period	8	894,944	894,944

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

Adelaide Hills Region Waste Management Authority

Statement of Cash Flows

for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
User charges		4,724,188	4,189,399
Investment receipts		140	262
Other revenues		1,895,953	2,079,900
<i>Payments:</i>			
Employee costs		(1,103,698)	(1,169,212)
Materials, contracts & other expenses		(4,707,074)	(4,969,660)
Finance payments		(55,661)	(55,707)
Net Cash provided by (or used in) Operating Activities		753,848	74,982
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		-	20,000
Sale of replaced assets		53,000	78,364
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(202,037)	(59,146)
Expenditure on new/upgraded assets		(452,000)	(343,781)
Net Cash provided by (or used in) Investing Activities		(601,037)	(304,563)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings		100,000	407,317
<i>Payments:</i>			
Repayments of borrowings		(252,645)	(140,500)
Repayment of lease liabilities		(42,261)	-
Net Cash provided by (or used in) Financing Activities		(194,906)	266,817
Net Increase (Decrease) in cash held		(42,095)	37,236
Cash & cash equivalents at beginning of period	9	309,592	272,356
Cash & cash equivalents at end of period	9	267,497	309,592

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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 Authority is a Local Government Authority Section 43 regional subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and Rural City of Murray Bridge.

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at c/-of Mount Barker District Council, 6 Dutton Road, Mt Barker. These financial statements have been prepared for use by constituent councils of the Authority.

3 Income recognition

Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Income is measured at the fair value of the consideration received or receivable. Where grants, contributions and donations recognised as income during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period. The Authority's does not receive Grants Commission funding.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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

The Authority never recognises revenue under AASB 15 *Revenue from Contracts with Customers* (AASB 15) as the Authority never enters into contracts with customers or Constituent Councils.

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policy applied to financial instruments forms part of Note 10.

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority 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 as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Landfill Assets	\$1,000
Road Construction & Reconstruction	\$10,000

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, 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.

Plant, Furniture & Equipment	
Office Equipment	3 - 5 years
Other Plant & Equipment	3 - 10 years
Infrastructure	
Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure has been brought to account and capitalised as of 1 July 2019. Cell amortisation is calculated by amortising total consumed airspace. Used airspace is surveyed monthly by an independent surveyor. In prior years the Authority has calculated landfill amortisation on estimated remaining useful life. Accordingly the change to amortisation based on airspace consumption is considered to be a more accurate representation of written down value.

6.4 Impairment

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

6.5 Borrowing Costs

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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 Authority 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

Borrowings 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".

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 oncosts) 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 oncosts) 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 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. The Authority does not make payment for untaken sick leave.

9.2 Superannuation

The Authority makes employer superannuation contributions in respect to employees to the Local Government Superannuation scheme. The scheme has two types of membership, each of which is funded differently. The Authority's employees are only members of the accumulated fund.

Accumulated fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2019/20). The Authority does not have any employees who are members of defined benefit funds therefore, no further liability accrues to the employer as the superannuation fund benefits accruing to the employees are represented by their share of the net assets of the Fund.

The Authority also make contribution to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulated type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

10 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Golders Associates Pty Ltd undertook an assessment of the estimated capping costs of existing landfill cells at the Brinkley site in July 2019. As a result of the work conducted, the Authority updated its capping liability estimates in Note 7 which resulted in a net increase to the cell capping provision. Part of this movement saw non cash income amount, totalling \$141,451, recognised in the Statement of Comprehensive Income in 2018/19. A corresponding increase to the cell capping asset had also been recorded in accordance with the requirements under AASB 116. No movement was recognised in the Statement of Comprehensive Income in 2019/20.

The Authority recognises a capping liability for all past and present active landfill cell operational areas. For which capping rehabilitation works have not yet been completed.

The Authority recognises a capping liability for a historical cell given it is believed that it will be responsible for capping this area in future years and has accordingly recognised a liability. The Authority however is not presently obligated to undertake this work given the liability to cap the cell resides with the existing owners of the site.

The Authority has calculated the liability based on an alternate capping design being accepted by the Environmental Protection Authority South Australia (EPA) which is in the process of being approved. Should there be an unfavourable outcome from the alternate capping plan application process, this may result in further increases to the liability needing to be recorded in future periods.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

11 Leases

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, being the land leased at Brinkley Landfill.

i) Right-of-use assets

The Authority recognises right-of-use assets as at 1 July 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life.

ii) Lease liabilities

At the commencement date, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of accumulated surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

The effect of adoption of AASB 16 as at 1 July 2019 (increase/decrease) is as follows:

Asset	
Property, Plant & Equipment	<u>\$323,623</u>
Total Assets	\$323,623
Liabilities	
Borrowings	<u>\$323,623</u>
Total Liabilities	\$323,623
Accumulated Surplus	NIL

The following is the impact on the statement of comprehensive income in the current year as a result of the introduction of AASB 16:

Interest Expense – Lease Borrowings	\$6,000
Amortisation – right-of-use assets	\$48,543
Lease Expense	<u>(\$50,675)</u>
Net increase in expenses recognised in the Statement of Comprehensive Income	\$3,868

Adelaide Hills Region Waste Management Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2 - INCOME

	Notes	2020 \$	2019 \$
RATES REVENUES			
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		334,123	318,093
Waste disposal fee - Alexandrina Council		94,227	90,008
Waste disposal fee - Mount Barker District Council		335,936	308,351
Waste disposal fee - Rural City of Murray Bridge		211,019	249,544
Waste disposal fee - Other Customers		751,530	685,771
EPA waste levy collected		2,724,634	2,176,048
		4,451,469	3,827,815
INVESTMENT INCOME			
Interest on investments:			
Banks & other		140	262
		140	262
OTHER INCOME			
Consultancy service		3,447	1,140
Waste officer contribution		116,802	121,387
Waste transfer station income		1,443,863	1,407,851
Waste transfer station recuperation		53,353	88,385
Transport income		234,143	206,204
Fuel tax rebate		43,865	48,825
Machinery charge out		113,159	92,066
Recycled income		2,997	1,078
Movement in landfill liabilities		-	141,451
Sundry		24,287	26,755
		2,035,916	2,135,142
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		-	20,000
Other grants, subsidies and contributions			
Sundry		-	11,887
		-	11,887
		-	31,887
Sources of grants			
Other		-	31,887
		-	31,887

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

	2020	2019
Notes	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	838,688	848,816
Employee leave expense	115,200	120,183
Superannuation	88,821	86,821
Workers' Compensation Insurance	44,773	31,472
Other	33,251	34,400
Total Operating Employee Costs	1,120,733	1,121,692
 Total Number of Employees	 11	 11
<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	4,702	7,663
<u>Other Materials, Contracts & Expenses</u>		
Materials, contractors & other	236,106	261,878
Waste transfer station expenses	988,957	986,892
Consultants	51,359	42,609
Administration & accountancy service	82,138	63,047
EPA licence fee	9,430	5,329
Land lease	-	49,681
Repairs & maintenance	189,031	185,269
Insurance & legal	126,621	25,887
EPA waste levy paid	2,724,634	2,176,048
Parts, accessories & consumables	161,519	141,962
Sundry	11,612	7,135
Subtotal - Other Materials, Contracts & Expenses	4,581,407	3,945,737
	4,586,109	3,953,400

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE con't

		2020	2019
	Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure		5,534	5,534
Buildings		13,458	12,012
Vehicles		16,654	19,269
Plant & equipment		258,579	231,843
Landfill cells		110,533	132,873
Lechate pond		8,697	8,697
Landfill rehabilitation		50,232	20,045
Landfill cell capping		87,466	51,559
Right of Use Assets	15	48,543	-
		<u>599,696</u>	<u>481,832</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		42,511	57,531
Interest on Leases		8,414	-
		<u>50,925</u>	<u>57,531</u>

Adelaide Hills Region Waste Management Authority
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	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		53,000	78,364
Less: Carrying amount of assets sold	6	51,581	78,092
Gain (Loss) on disposal		<u>1,419</u>	<u>272</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>1,419</u>	<u>272</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - CURRENT ASSETS

	2020	2019
	Notes	
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	<u>267,497</u>	<u>309,592</u>
	<u>267,497</u>	<u>309,592</u>
TRADE & OTHER RECEIVABLES		
Accrued Revenues	53,291	14,986
Debtors - general	<u>561,258</u>	<u>388,830</u>
	<u>614,549</u>	<u>403,816</u>
INVENTORIES		
Stores & Materials	<u>2,256</u>	<u>3,791</u>
	<u>2,256</u>	<u>3,791</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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

	2019 \$'000				2020 \$'000			
	Fair Value	Cost	Acc'd Dep'n	Carrying Amount	Fair Value	Cost	Acc'd Dep'n	Carrying Amount
Road Infrastructure	-	138,352	(33,273)	105,079	-	138,352	(38,807)	99,545
Buildings	-	270,949	(77,712)	193,237	-	273,605	(91,170)	182,435
Vehicles	-	129,622	(76,089)	53,533	-	131,482	(61,974)	69,508
Plant & equipment	-	3,133,972	(1,360,627)	1,773,345	-	3,218,528	(1,548,695)	1,669,833
Landfill cells	-	2,147,038	(1,242,555)	904,483	-	2,559,142	(1,353,088)	1,206,054
Lechate pond	-	173,938	(45,409)	128,529	-	173,938	(54,106)	119,832
Landfill rehabilitation	-	691,182	(155,137)	536,045	-	602,784	(205,369)	397,415
Landfill cell capping	-	986,195	(466,026)	520,169	-	1,470,335	(553,491)	916,844
Right of Use Assets	-	-	-	-	-	323,623	(48,543)	275,080
Total IPP&E	-	7,671,248	(3,456,828)	4,214,420	-	8,891,789	(3,955,243)	4,936,546
Comparatives		6,887,320	(3,055,458)	3,831,862	-	7,671,248	(3,456,828)	4,214,420

This Note continues on the following pages.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2019 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR								2020 \$
		Net Adjust AASB 16	Additions		Disposals	Dep'n	Impair't	Adjustment	Net Reval'n	
			New / Upgrade	Renewals						
Road Infrastructure	105,079		-	-	(5,534)	-	-	-	99,545	
Buildings	193,237		2,656	-	(13,458)	-	-	-	182,435	
Vehicles	53,533		-	48,950	(16,654)	-	-	-	69,508	
Plant & equipment	1,773,345		37,240	153,087	(35,260)	(258,579)	-	-	1,669,833	
Landfill cells	904,483		412,104	-	(110,533)	-	-	-	1,206,054	
Lechate pond	128,529		-	-	(8,697)	-	-	-	119,832	
Landfill rehabilitation	536,045		-	-	(50,232)	-	(88,398)	-	397,415	
Landfill cell capping	520,169		-	-	(87,466)	-	484,141	-	916,844	
Right of Use Assets	-	323,623	-	-	(48,543)	-	-	-	275,080	
Reinstatement costs	-		-	-	-	-	-	-	-	
Total IPP&E	4,214,420	323,623	452,000	202,037	(51,581)	(599,696)	-	395,743	4,936,546	
Comparatives	3,831,862	-	883,335	59,147	(78,092)	(481,832)	-	-	4,214,420	

This note continues on the following pages.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7 - LIABILITIES

		2020		2019	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & services		678,849	-	504,309	-
Payments received in advance		20,000	-	-	-
Accrued expenses - other		9,124	-	13,860	-
GST Payable		116,568	-	73,632	-
Other payables		53,664	-	70,152	-
		878,205	-	661,953	-
BORROWINGS					
Leases Liabilities	15	44,373	236,989	-	-
LGFA cash advance debenture facility		1,426,855	-	1,579,500	-
		1,471,228	236,989	1,579,500	-
PROVISIONS					
Employee entitlements (including oncosts)		276,221	15,443	244,212	30,417
Future reinstatement / restoration, etc		-	602,784	-	696,183
Cell capping		-	1,313,553	-	824,410
		276,221	1,931,780	244,212	1,551,010
Movements in Provisions - 2020 year only					
<i>(current & non-current)</i>		<i>Future Reinstatement</i>	<i>Cell capping</i>	<i>Total</i>	
Opening Balance		696,183	824,410	1,520,593	
Add (Less) Additional amounts recognised		(5,002)	5,002	-	
Add (Less) Remeasurement Adjustments		(88,398)	484,141	395,743	
Closing Balance		602,784	1,313,553	1,916,336	

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - RESERVES & EQUITY

DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been allocated in proportion to the volumes of waste deposited by each respective Constituent Council.

	2020	2019
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	34.4%	33.1%
Alexandrina Council	9.1%	8.9%
Mount Barker District Council	35.0%	32.3%
Rural City of Murray Bridge	21.5%	25.7%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	45,282	125,941
Alexandrina Council	11,931	33,720
Mount Barker District Council	46,048	123,185
Rural City of Murray Bridge	28,220	98,077
	<u>131,481</u>	<u>380,923</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	370,578	244,637
Distribution	<u>45,282</u>	<u>125,941</u>
Balance at end of period	<u>415,860</u>	<u>370,578</u>

Alexandrina Council		
Balance at end of previous reporting period	98,844	65,124
Distribution	<u>11,931</u>	<u>33,720</u>
Balance at end of period	<u>110,775</u>	<u>98,844</u>

Mount Barker District Council		
Balance at end of previous reporting period	368,901	245,716
Distribution	<u>46,048</u>	<u>123,185</u>
Balance at end of period	<u>414,949</u>	<u>368,901</u>

Rural City of Murray Bridge		
Balance at end of previous reporting period	56,621	(41,456)
Distribution	<u>28,220</u>	<u>98,077</u>
Balance at end of period	<u>84,841</u>	<u>56,621</u>

TOTAL EQUITY AT END OF REPORTING PERIOD	1,026,425	894,944
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Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2020 \$	2019 \$
Total cash & equivalent assets	5	<u>267,497</u>	309,592
Balances per Cash Flow Statement		<u>267,497</u>	<u>309,592</u>

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

Net Surplus (Deficit)	131,481	380,923
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	599,696	481,832
Net increase (decrease) in unpaid employee benefits	17,035	41,855
Movement in landfill liabilities	-	(141,451)
Grants for capital acquisitions treated as Investing Activity	-	(20,000)
Net (Gain) Loss on Disposals	<u>(1,419)</u>	<u>(272)</u>
	746,793	742,887
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(210,733)	(36,184)
Net (increase) decrease in inventories	1,535	585
Net increase (decrease) in trade & other payables	<u>216,252</u>	<u>(632,306)</u>
Net Cash provided by (or used in) operations	<u>753,847</u>	<u>74,982</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Estimated future reinstatement etc. costs	<u>395,744</u>	<u>398,104</u>
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(d) Financing Arrangements

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

Corporate Credit Cards	10,000	8,000
LGFA Cash Advance Debenture facility	1,650,000	1,650,000

The cash advance debenture facility may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA. As at 30 June 2020 the Authority has drawn down \$1,426,855.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: carried at lower of cost and net realisable value, interest is recognised when earned.</p> <p>Terms & conditions: deposits at call have an average maturity of 90 days and an average interest rate of 0.45% (2019: 90 days 1.25%)</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: carried at nominal values less any allowances for doubtful debts.</p> <p>Terms & conditions: unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: liabilities are normally settled on 30 days after the month of invoice.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: carried at the principle amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, interest is payable quarterly and principle due at CAD end date.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: carried at the principle amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, interest is charged at an average variable rate of 2.6%.</p> <p>Carrying amount: approximates fair value.</p>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	267,497			267,497	267,497
Receivables	614,549	-	-	614,549	614,549
Total	882,046	-	-	882,046	882,046
Financial Liabilities					
Payables	869,081	-	-	869,081	869,081
Current Borrowings	1,426,855	-	-	1,426,855	1,426,855
Lease Liabilities	44,373	236,989	-	281,362	281,362
Total	2,340,309	236,989	-	2,577,298	2,577,298

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	309,592			309,592	309,592
Receivables	403,816	-	-	403,816	403,816
Total	713,408	-	-	713,408	713,408
Financial Liabilities					
Payables	648,093	-	-	648,093	648,093
Current Borrowings	1,579,500	-	-	1,579,500	1,579,500
Total	2,227,593	-	-	2,227,593	2,227,593

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	2.6	1,426,855	3.57	1,579,500
Non interest bearing		869,081		648,093
		2,295,936		2,227,593

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - 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 Authority.

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 Authority is the carrying amount, net of any allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 5 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 Authority'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 the Authority 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. The Authority also has available a range of 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. The Authority 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.

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2020 had no obligation for expenditure.

Note 12 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED

The Authority has been successful in defending a claim as a defendant in Supreme Court proceedings which has been disclosed as a contingent liability in previous financial years. As at reporting date, the Authority has received an Order for costs from the Court which is still in negotiations.

Note 13 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2020	2019
	\$	\$
Income	6,487,525	5,975,106
Expenses	<u>(6,357,463)</u>	<u>(5,614,455)</u>
Operating Surplus / (Deficit)	130,062	360,651
 Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(202,037)	(59,146)
Add back Depreciation, Amortisation and Impairment	599,696	481,832
Proceeds from Sale of Replaced Assets	<u>53,000</u>	<u>78,364</u>
	450,659	501,050
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(452,000)	(343,781)
Amounts received specifically for New and Upgraded Assets	-	20,000
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	(452,000)	(323,781)
 Net Lending / (Borrowing) for Financial Year	 <u>128,721</u>	 <u>537,920</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15 - OPERATING LEASES

The Authority as a Lessee

Right of Use Asset

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Property, Plant & Equipment

Carrying Value	Land
At 1 July 2019	323,623
Additions	-
Disposals	-
Depreciation Charge	(48,543)
At 30 June 2020	275,080

Set out below are the carrying amounts of lease liabilities (including under interest bearing loans and borrowings) and the movements during the period:

	2020
At 1 July 2019	323,623
Additions	-
Accretion of Interest	8,414
Payments	(50,675)
At 30 July 2020	281,362

The following are amounts recognised on profit or loss:

Depreciation expense right of use asset	48,543
Interest expense on lease liabilities	8,414
Expenses relating to short term leases	-
Expenses relating to leases of low value assets	-
Variable lease payments	-
Total amount recognised in profit and loss	56,957

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 16 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Chair, the Board and the Executive Officer prescribed officers under section 112 of the Local Government Act 1999. In all, key management personnel were paid the following total compensation:

	2020	2019
	\$	\$
Salaries, allowances & other short term benefits	142,170	145,397
Post-employment benefits	-	-
Long term benefits	13,506	13,813
Termination benefits	-	-
TOTAL	155,676	159,210

The following transactions occurred with related parties:

	Sale of Goods & Services	Amounts Outstanding
	\$,000	\$,000
Adelaide Hills Council - provision of waste processing and disposal service	334	26
Alexandrina Council - provision of waste processing and disposal service	94	7
Mount Barker District Council - provision of waste processing and disposal service	335	29
Rural City of Murray Bridge - provision of waste processing and disposal service	212	17
TOTAL	975	79

Amounts recorded as outstanding from related parties are recorded in trade and other receivables in Note 5.

The related parties disclosed above are equity owners of the Authority and are referred to as Constituent Councils. Constituent Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Constituent Council individually has control of the policies.

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**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 Adelaide Hills Region Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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.



Andrew Aitken
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council

Date: 22 Aug 2020



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ABN: 30 164 612 890

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Opinion

We have audited the financial report of the Adelaide Hills Region Waste Management Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority 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*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the 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.

Other Information other than the Financial Report and Auditor's Report Thereon

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Authority'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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**JIM KEOGH
PARTNER**

Signed on the 16th day of September 2020,
at 214 Melbourne Street, North Adelaide

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**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 Adelaide Hills Region Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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.



.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 17 July 2020

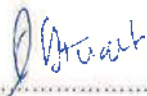
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**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 Adelaide Hills Region Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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.



.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 23/7/20


**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**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 Adelaide Hills Region Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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.


Michael Sedgman
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date: 11.08.2020



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Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Adelaide Hills Region Waste Management Authority 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*.

A handwritten signature in black ink, appearing to read 'JKL'.

Jim Keogh
Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated the 8th day of July 2020







Southern & Hills Local Government Association

Adelaide Hills Council | Alexandrina Council | Kangaroo Island Council | Mount Barker District Council
City of Victor Harbor | District Council of Yankalilla



ANNUAL REPORT

2019-2020



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Southern & Hills Local Government Association

Annual Report 2019 - 2020

Area of 8,656 Km²



Population
127,975



Prominent retirement
destination



Coastline 652 Kilometres



Total Council revenue
\$182.4 million



Adelaide Hills, Fleurieu and
Kangaroo Island are major
tourism destinations



5,539 kilometres of Local
Roads



25% projected
Population increase
by 2026



About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of six (6) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- Kangaroo Island Council
- Mt Barker District Council
- City of Victor Harbor
- District Council of Yankalilla

Collectively these six (6) Councils have:

- ☑ More than 127,000 people as at 30th June 2018.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

The Southern and Hills Local Government Association Board

July 2019

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills	Mayor Jan – Claire Wisdom	CEO Andrew Aitken
Alexandrina Council	Mayor Keith Parkes	CEO Glenn Rappensberg
Kangaroo Island Council	Mayor Michael Pengilly	CEO Greg Georgopolous
Mt Barker District Council	Mayor Ann Ferguson	CEO Andrew Stuart
City of Victor Harbor	Mayor Moira Jenkins	CEO Victoria MacKirdy
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

Council	Proxy Representative	Role
Adelaide Hills	Lachlan Miller	Executive Manager Governance
Alexandrina Council		
Kangaroo Island Council	Bob Teasdale	Deputy Mayor
Mt Barker District Council	Samantha Jones	Deputy Mayor
City of Victor Harbor		
District Council of Yankalilla	Simon Rothwell	Deputy Mayor

Office Bearers 2019 – 2020

President	Mayor Keith Parkes, Alexandrina Council	
Deputy President	*Mayor Moira Jenkins, City of Victor Harbor (* from February 2020) Mayor Glen Rowlands, District Council of Yankalilla	
Executive Officer	Mr Graeme Martin	
Auditor	Mr Nathan Saluja, HLB Mann Judd	
Elected under the provisions of the Constitution of the Local Government Association		
Delegates to LGA Board	Mayor Keith Parkes Mayor Jan – Claire Wisdom (via Metro/GAROC)	
Delegates to SAROC	Mayor Keith Parkes	Alexandrina Council
	*Mayor Moira Jenkins	City of Victor Harbor
	Mayor Glen Rowlands	District Council of Yankalilla

President's Report

It has been my pleasure to once again serve as President and Chair during 2019-2020.

The second half of the year has been punctuated by extreme events. The region first endured devastating Bushfires only to be followed by the COVID19 virus pandemic. The latter's impact has been far reaching and yet to play out in full.

I wish to thank all S&HLGA member councils for their unfailing efforts to support each other and their own communities during this most disruptive time.

Core activities and focus have included the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, monitoring the S&HLGA Regional Public Health plan and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, developing regional CWMS strategies with our CWMS user Group, supporting the establishment of the SA Coastal Councils Alliance as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and tracking our current 2017-2021 Business Plan. These activities are all designed to drive and improve the wellbeing of our communities.

I would point out the S&HLGA Value proposition report documents a consistent four figure percentage return on member Council subscriptions demonstrating amazing value for member councils.

S&HLGA has been an active participant on the LGA regional SAROC committee.

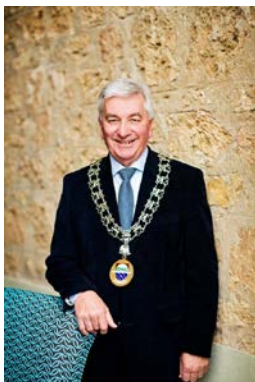
We acknowledge and continue to work with our many regional stakeholders as we continue to confront the many impacting regional issues.

Thank you to our Executive Officer, Graeme Martin for his co-ordination and management and drive in supporting the body. He has been ably supported during 2019-2020 by project officers Jen St.Jack and Penny Worland

In closing, I acknowledge and thank all the member councils for their support during the year and say how much I value ongoing contribution of member Mayors and CEOs.

Mayor Keith Parkes

President



The Board

The Board held 6 ordinary bi-monthly meetings during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

Date	Host
23 August 2019	Mt Barker
25 October 2019	Adelaide Hills
6 December 2019	Alexandrina
7 February 2020	Kangaroo Island
30 April 2020	Video Conference
19 June 2020	City of Victor Harbor

Key Issues acted on by the Board included:

- o Transferring, updating and maintaining of the S&HLGA Website to the new LGA Squiz platform
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan.
- o Supervising the DEW sponsored Resilient Regions Central Co-ordinator pilot project.
- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to implement the 2019 Regional Public Transport study, develop the regional Infrastructure Priority Plan, and support the region in its response to the severe summer bushfires and the ongoing COVID19 impacts.
- o **The South Australian Regional Organisation of Councils (SAROC)** is a Committee of the LGA that focuses on key issues affecting country Councils. The S&HLGA continues to support the Governance process by attending the meetings, contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils.
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan, special local roads funding applications and continued the comprehensive review of the Regional Transport Plan in anticipation of the new 2030 Regional Transport Plan as well as the advocacy of the South Coast Freight Corridor and Public Transport in the region.
- o Having input into and supporting the LGA in developing and highlighting Local Government reform issues and advocacy with the State Government
- o Review and input into the SA Grants Commission Local Government Grants methodology

Regional Consultations and briefings were coordinated to occur on the day of Board meetings.

9 various speakers addressed meetings of the Board.

The Board reviewed its achievements to date via the 2019-2020 Key Action Plan, tracked the Actual performance against Budget and developed a new Budget and Action Plan for 2020-2021

At the commencement of 2019-2020 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period.

S&HLGA Value proposition

The S&HLGA provided a report back to its Council members on the estimated value of their membership. This is based on the same methodology utilised by the LGA in determining its membership value.

The value from membership in a regional organisation can be summarised in the following key categories; advocacy and representing the region, establishing and implementing high level regional partnerships and links, developing and strengthening regional capacity.

The table1 below summarise the ongoing value per council and for the region as a total.

2020 Summary	Value per Council	Value for the S&HLGA region
General advocacy	\$20,000	\$120,000
Programs and Projects	\$374,939	\$1,900,500
Capacity building	\$6,870	\$41,221
Total	\$401,809	\$2,061,721

Table 1

The table 2 below summarises and compares the S&HLGA membership subscriptions and levies total with the value per S&HLGA member Councils as measured in the value proposition over the past three years

	2018	2019	2020
Av Council membership	\$12,529	\$12,279	\$13,536
Value per Council	\$427,871	\$430,953	\$401,809
Return on Investment	3,375%	3,385%	2,968%

Table 2

Committees and Working/Task Groups

The S&HLGA EO was a member of the following Committees and Working Groups during the course of the year:

Committee	S&HLGA Executive Officer Role	Meeting Frequency	Comment
Regional Public Health	Secretarial/Administration	Every 2 months	ongoing
Resilient Hills & Coast - Climate change Adaptation	Committee member	Every 2 months	ongoing
Regional Economic Development Officers	Committee member	Every 2 months	ongoing
Regional EO Management Group	Committee member	Every 2 months	Precedes SAROC
S&HLGA Advisory Group	Secretarial/Administration	Every 2 months	Precedes S&HLGA Board
S&HLGA Roads Works Group	Secretarial/Administration	Ad hoc but at least 3 times per annum	ongoing
S&HLGA CWMS User Group	Secretarial/Administration	Every 2-3 months	ongoing
SAROC	Advisor/Observer	Every 2 months	ongoing

S&HLGA Roads Working Party

The Roads Working Party (RWP), with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held the main RWP meeting in April 2020. The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan
- Co-ordinate the application process of Councils to the SLRP.
- Make recommendations for the SLRP 2020 – 2021 based on the final draft of the 2020 Transport Plan.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policy of the 2020 Transport Plan.
- Continue the complete review and update of the 2020 Transport Plan as the seed regional Infrastructure Plan
- Review and plan the next 2030 S&HLGA Transport plan due for completion March 2021
- Further the South Coast Freight Corridor concept

- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2020 – 2021

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Springs Rd	Mt Barker	\$1,340,000	\$893,000	\$447,000	Stage 4 of 4
Wedgewood/Hickmans Rd	Kangaroo Island	\$1,255,004	\$816,670	\$438,334	Stage 3 of 4
Forktree Rd	District Council of Yankalilla	\$450,000	\$300,000	\$150,000	Stage 1 of 2
Total		\$3,045,004	\$2,009,670	\$1,035,334	

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

The S&HLGA CWMS Committee has been reviewing options for CWMS assets and focuses on:

- Facilitate knowledge sharing across Councils operating CWMS
- Identification of regional capacity and skills gaps
- Assist with ensuring efficient and compliant ongoing operations and maintenance
- Identify opportunities for shared resources and procurement
- Monitor new policy directions
- Assist with strategic analysis and direction options for CWMS

The CWMS User group held meetings on:

Date	Host
12 September 2019	LGA House
24 June 2020	Video Conference

S&HLGA Regional Public Health Plan

Executive Officer Role: Secretary and Task group member - Implementation and Monitoring of a Regional Public Health Plan for S&HLGA:

- Committee meetings (preparation Agendas & Minutes)
- Liaise with LGA Public Health Program Manager
- Liaise with SA Public Health Office
- Represent the region at Forums and workshops
- Liaise with Public Health Researchers
- Prepare funding submissions for regional Public Health projects

Of significant importance was the co-ordination and administration of the Community Wellbeing alliance Pilot study for the LGA. In addition the region successfully applied for two ILC grants for disability and inclusion programs for Communications and Destinations

The S&HLGA Regional Public Health Committee held meetings on:

Date	Host
3 July 2019	City of Victor Harbor
21 August 2019	City of Victor Harbor
16 October 2019	City of Victor Harbor
4 December 2019	Alexandrina, Strathalbyn

S&HLGA Regional Climate Change Adaptation Committee

Executive Officer Role: Committee member (Resilient Hills and Coast) - Implementation and Monitoring of the Regional Climate Change Adaptation Plan for S&HLGA:

- Committee meetings
- S&HLGA presentations
- Liaise and co-ordinate with Project Manager
- Monitor and administer the "Where we build, What we build" project
- Represent the region at forums and workshops

Importantly S&HLGA was appointed to co-ordinate and administer the Resilient Regions Central Co-ordinator Pilot study for the Department of Water and Environment.

The S&HLGA Regional Climate Change Adaptation Committee (Resilient Hills & Coast) held meetings on:

Date	Host
8 August 2019	Mt Barker
18 October 2019	Kangaroo Island
13 February 2020	City of Victor Harbor
1 April 2020	Video Conference
11 June 2020	Video Conference

Regional Economic Development Network Committee

The S&HLGA has strongly supported the activities and research of the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and worked closely with RDA officers to partner with the organisation in the general Economic Development of the region.

Executive Officer Role: Committee member - A Working Group has been formed with the Economic Development Officers from the S&HLGA Member Councils. - The principal activity is to share information, achieve procurement and resource sharing efficiencies and develop a regional infrastructure Plan by:

- Identify and collating infrastructure projects from Council plans
- Grade them according to Local, District or Regional category, dollar value and impact and probability
- Review the criteria to insure relevant social and environmental impacts are captured

The RDA Economic Development Network Committee held meetings on:

Date	Host
5 August 2019	Alexandrina, Strathalbyn
4 November 2019	Alexandrina, Strathalbyn
17 February 2020	Alexandrina, Strathalbyn
18 May 2020	Video Conference

In conjunction with the CEO and Chair of the RDA, the EO S&HLGA met regularly with the regions State government MPs (Finniss, Kavel and Heysen) to discuss key priorities and policy impact for the region.

Regional LGA Organisations EO Management Group

Executive Officer Role: Committee member – To provide input into the sector, develop capacity, share knowledge and develop co-operation between the regions:

- Have input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Have input into sector issues
- Advocate on behalf of the regions
- Share information and provide collegiate support
- Develop a priority issues and action list

The Regional LGA Organisations EO Management Group held meetings on:

Date	Host
18 September 2019	LGFA Offices
30 October 2019	Adelaide Oval
16 January 2020	LGA House
27 February 2020	Watervale
6 April 2020	Video Conference
29 April 2020	Video Conference

SAROC

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

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Review of the 2019 SAROC Annual Business Plan and development of the 2020 SAROC Annual Business Plan
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Assist and input into the SA Productivity Commission review of Local Government costs and efficiency
- Continued working on Coastal Council Alliance project and the development of its Governance structure and strategic plan
- Taking a leadership position on Waste and recycling strategy including the ban of single use plastics
- Lobbying the State Government on support for the second tranche of Climate Change and adaptation sector partner agreements

- Liaising with the State Government and SA Grants commission to develop and identify a statewide priority Roads database and map
- Identifying and working with the State Government on the role of the LG sector in any economic recovery and stimulus programs

Regional Research Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- 2020 Value proposition
- Review of the SA Grants Commission methodology
- GM Crop legislation
- Response and input into the draft Planning and Design code

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- LGA AGM
- Coastal Council Alliance Task Group meetings
- Phase 2 Ratings Equity Task Group meetings
- Northern Freight Bypass Committee update workshop
- Bushfire Forum KI
- Carbon neutral transport options for Council Fleets workshop
- GM crops Task Group

Rubble Royalties

The S&HLGA received the final top up funds from Rubble Royalties in 2019-2020. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- S&HLGA Strategic directions
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.
- KI Bushfire forum

LGA Board

Mayor Jan – Claire Wisdom (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme has improved the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes and project outcomes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC, the regional EO group, the regional committees and various reports, submissions and forums throughout the year.

Mr Graeme Martin has provided Executive Officer services to the Association.

Jen St Jack has provided under contract, project oversight of the Resilient Hills and Coast Climate Change Adaptation committee as well as the inaugural Resilient Regions Central Co-ordinator for the DEW sponsored pilot.

Penny Worland has provided under contract, project oversight of the S&HLGA Community Wellbeing Alliance pilot program sponsored by the LGA.



KEY CATEGORIES & THEMES

THE 2017-2021 S&HLGA BUSINESS PLAN

OBJECTIVE
1. To provide leadership and advocacy for Member Councils on regional issues.
2. To market & promote the Southern & Hills Local Government Association
3. To support sustainable economic, environmental and social development in the region
4. To improve infrastructure to meet the community's needs.
5. To strengthen the capacity of the Association to meet its service obligations.

THE 2019-2020 S&HLGA ANNUAL KEY ACTION PLAN

Theme	Items & Actions
General Administration (sound financial and compliance management)	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquittals, Meeting Agenda format review, 3 year forward financial forecast
Projects and support (sustainability and development)	Regional Public Health Plan review, Community Wellbeing Pilot, Resilient Hills & Coast Climate adaptation Plan, Community Energy Scheme, Where we build, What we build, Resilient Regions Central Co-ordinator, Regional Transport Plan, Grants Commission review.
Leadership, advocacy and marketing	LGA Peri-Urban Governance, LG reform, Relationship building with State Government MPs, Website maintenance
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, LGA R&D and External Funding, Telecommunications



= Not on track / yet to commence action required





















= on track



= completed / no further

Theme	Items & Actions	Item	Status	Comment
General Administration (sound financial and	Budget, Charter Review, Board meetings, Subscriptions and Levies,	Budget		2019-2020 Budget Adopted. 2020-21 Budget tabled
		Charter review		Due December 2020

compliance management)	Key Actions, Audit, Annual Report, Grant reporting & acquittals, 3 year S&HLGA forward forecast	Subscriptions & levies		Members invoiced July 2019
		Audit		Completed 24 August 2019
		Annual Report		Completed and distributed 30 September 2019
		LGA Grants		Annual LGA Regional Capacity application submitted and received 30 Sept 2019
		3 Year forward forecast		Draft presented October 2019
Projects and support (sustainability and development)	Regional Public Health Plan, Resilient Hills & Coast Climate adaptation Plan, Regional Transport Plan	Regional Public Health Plan		Commenced LGA Community Wellbeing pilot // Committee regularly meeting. Seeking to defer review.
		Resilient Hills & Coast Climate adaptation Plan		Committee meeting regularly. CEP project completed, What we build where we build project near completion, Successful Resilient Regions Co-ordinator role application and funding. AMLR funding application submitted and successful 26 Sept.
		Grants Commission Review Project		Meeting with Grants Commission completed Sept 2019. Ongoing dialogue
		Regional Transport Plan		SLRP applications submitted and successful. South Coast Freight corridor concept review
Leadership, advocacy and marketing	LGA Peri-Urban Governance review, New Government Policies and LG Reform, Relationship building with State Government MPs, Website maintenance	LGA peri Urban Governance review		Peri-urban regional organisation to be investigated
		LG reform		LG reform on hold due to COVID19
		Relationship with MPs		Regularly meeting
		Website		Updated now migrated to LGA squiz platform. Addition of committee agenda and minutes to be completed
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding,	CWMS		Committee meeting regularly
		Waste		Meeting with Fleurieu waste CEO. Regional waste strategy commenced with Regional LGAs
		Infrastructure Plan		RDA priority project forum/ Committee meeting regularly. Infrastructure SA state strategy released May 2020
		External funding		Project based and WIP. Overabundant species research required via SAROC
		Telecommunications		



= Not on track / yet to commence



= on track



= completed / no further action

Category	S&HLGA Role	Item	Comment/Description
Administration	Active/Lead	Charter Review	Draft issued Dec 2019. Project to be completed by Dec 2020
	Active/Lead	Budget 2019-2020	Endorsed by Board 26/04/2019. New 2020-21 Budget tabled April 2020
	Active/Lead	Draft Key Action 2019-2020	Endorsed August 2019
	Active/Lead	Regional Capacity grant acquittal 2018-2019	submitted July 2019, received Sept 2019
	Active/Lead	Audit 2018-2019	Completed Aug 2019
	Active/Lead	Annual Report 2018-2019	Completed Aug 2019
	Active/Lead	3 year forward financial forecast	First draft issued Oct 2019 for discussion. COVID 19 impact has necessitated this project be postponed.
Projects – Lead/S&HLGA Committee	Active/Lead	Regional Public Health Plan	<u>Community Wellbeing Alliance Pilot</u> funding of \$75,000 received. 12 month delivery timeframe from July 1 2019. Consultant contractor appointed and work plan developed. LGA R&D application for LG <u>Community Wellbeing indicator project</u> successful Sept 2019. RFQ for indicator project issued 6 Nov 2019. Consultant appointed Jan 2020. Commencement late Jan 2020 but now pushed back till March 2021. <u>ILC grants</u> successful.
	Active/Lead	Resilient Hills & Coast	<u>Community Energy Scheme</u> to stop at current position and be wound up with the resources developed under the project to be published for use by the community, industry and local government.
	Active/Lead		<u>Where we build, what we build project</u> has received \$95,000 Natural disaster Program grant and \$40,000 Insurance Council of Australia grant commitment. Milestones 1,2, 3,4 & 5 completed. Final milestone due June 2020
			Resilient Regions Central Co-ordinator 12 month trial funding of \$80,000 received from DEW. S&HLGA to manage this trial. Completion June 2020
			Extension of Resilient Hills & Coast project officer until June 30 2020 via AMLR Water Sustainability grant funding.

Category	S&HLGA Role	Item	Comment/Description
	Active/Lead	Road Works Party	Completed HV assessment of South Coast Freight Corridor. Issues with Middleton main street traffic to be resolved. Further work and advocacy suspended until the demand profile completed in 2020-21. Developing a new Roads database and new 2030 Transport Plan for 2020-2021
	Active/Lead	CWMS	Committee now active with regular meetings scheduled. Key focus is on audit/description of each Council scheme and then seek common ground for efficiencies around operations and procurement. Last meeting completed after 12 Sept 2019. Legatus Group now leading sector review
Projects – Lead	Active/Lead	Grants Commission methodology review	March 2019 - Completed submission to SA Grants Commission. Review meeting with the Commission completed Sept 2019. Commission response received March 2020. S&HLGA Committee via AHC seeking further response and dialogue
	Active/Lead	Regional Native Vegetation Plan	Reviewing cost and opportunity for some external contributory funding although revised Guidelines may prove to be sufficient for S&HLGA member Councils
	Lead/Partner/Influence	Regional LGA Management Group	Regular meeting of the LGA EOs and development of priority projects in conjunction with SAROC. S&HLGA to take the lead on Overabundant Species management. Regular Meetings with SAROC
Projects - Partner	Partner/Influence	Coastal Alliance project	We have a significant interest in this but S&HLGA role is largely information provision via steering committee and input into the report. Adam Gray appointed as project consultant Jan 2020
	Partner/Advocate	Telecommunications	Advocating for regional black spot funding and ready for 5G
	Partner/Influence	Economic Development Officers Forum	RDA lead but focus on Regional Infrastructure plan and Public

Category	S&HLGA Role	Item	Comment/Description
			Transport. Note Infrastructure SA strategy release May 2020
	Partner/Influence	Ratings Equity Impact study (phase 2)	EO on the Steering Committee. Project completed and with State Govt for action
Relationships	Active/Lead/Influence	State MPs/Federal MP	Continue regular catch ups during 2019-2020
	Active/Lead/Influence	Peri –Urban Group	Advocate and seek input from potential expanded Council members into a larger peri – urban Regional Organisation. Meeting convened by Gawler Council August 2019. Information conveyed to Adelaide Plains Mayor Nov 2019 Planned meeting with Barossa in Jan 2020. On hold due to COVID19 impact.

Acronyms

AICD.....	Australian Institute of Company Directors
AMLRNRM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEW.....	Department of Environment and Water
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
GAROC.....	Greater Adelaide Region of Councils
GM.....	Genetically Modified
LGA.....	Local Government Association
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
RDA.....	Regional Development Australia
SA.....	South Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

**Southern & Hills Local Government Association
Past Presidents and Secretaries / Executive Officers**

Years	President	Council	Secretary / EO
2019 – 2020	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2018 - 2019	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2017 – 2018	Mayor Keith Parkes ^g	Alexandrina Council	Graeme Martin
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg ^f Mayor Ann Ferguson	Adelaide Hills Council DC Mount Barker	Graeme Martin
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler ^d Graeme Martin ^e
2010 - 2011	Mayor Ann Ferguson ^c Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler ^b
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2002 - 2003	Mayor John Crompton ^a	City of Victor Harbor	Fred Pedler ^b
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler ^b
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler ^b
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 th July 1969	First Constitution for S&HLGA Adopted		

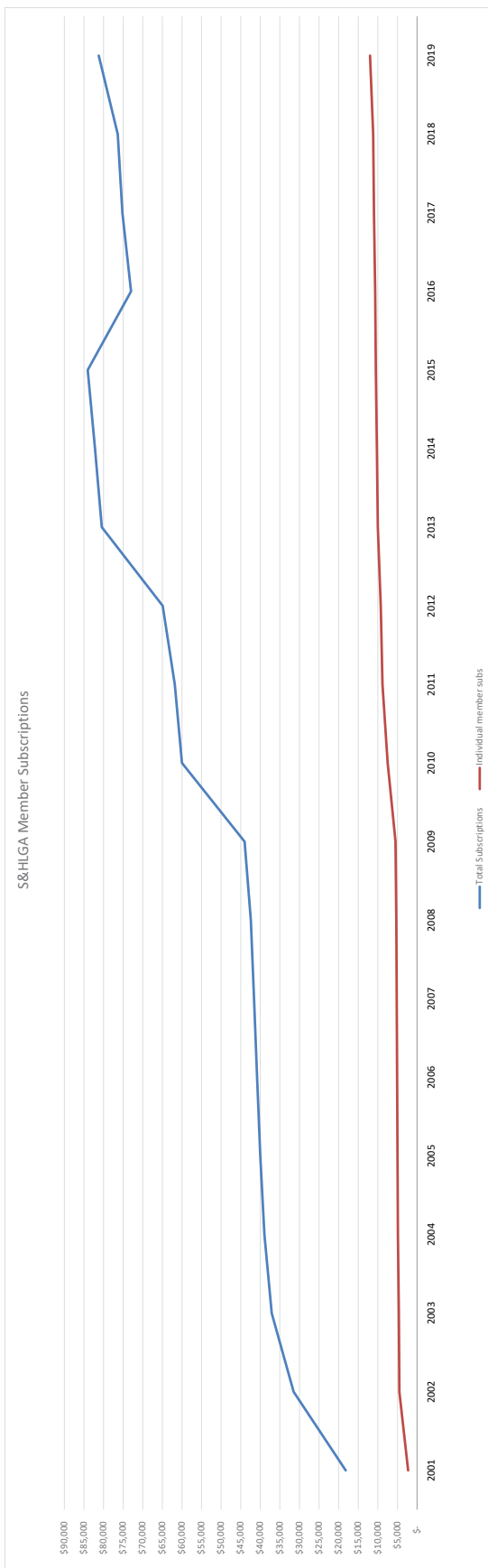
Attendance register maintained for annual and half yearly conferences from 1968 to 1990

^a Until 12th May 2003 ^b Executive Officer ^c From February 2011 ^d To December 2011 ^e From January 2012

^f From February 2015 ^g From December 2017

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Individual member subs	\$ 2,275	\$ 4,500	\$ 4,635	\$ 4,867	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,500	\$ 7,500	\$ 8,829	\$ 9,270	\$ 10,000	\$ 10,250	\$ 10,500	\$ 10,685	\$ 11,000	\$ 11,200	\$ 12,000	\$ 13,667
Total Subscriptions	\$ 18,200	\$ 31,500	\$ 37,080	\$ 38,936	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,400	\$ 44,000	\$ 60,000	\$ 61,803	\$ 64,890	\$ 80,443	\$ 82,172	\$ 84,037	\$ 72,995	\$ 75,173	\$ 76,373	\$ 81,214	\$ 91,214
\$ Change from previous year		\$13,300	\$5,580	\$1,856	\$1,064	\$800	\$800	\$800	\$1,600	\$16,000	\$1,803	\$3,087	\$15,553	\$1,729	\$1,865	-\$11,042	\$2,178	\$1,200	\$4,841	\$10,000
% Change from previous year		73.1%	17.7%	5.0%	2.7%	2.0%	2.0%	1.9%	3.8%	36.4%	3.0%	5.0%	24.0%	2.1%	2.3%	-13.1%	3.0%	1.6%	6.3%	12.3%

NB 8 members 2001-2010
7 members 2011-2015
6 members 2016



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**FINANCIAL STATEMENTS****Statement of Comprehensive Income for the Year Ended
30th June 2020**

	Notes	2020 \$	2019 \$
Income			
Subscriptions	1.8	81,214	76,373
Operating Grants	2.2	423,581	261,239
Investment Income	1.7	2,282	4,456
Other		54,478	28,655
Total Income	1.4	561,555	370,723
Expenditure			
Contractual Services	3	243,951	167,523
Finance Charges		3,958	3,763
Other		173,850	104,707
Total Expenditure		421,759	275,993
Surplus (Deficit) from Operations		139,796	94,731

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2020

	2020	2019
Notes	\$	\$
Current Assets		
Investments	376,271	181,281
Debtors	10,450	147,675
Total Current Assets	386,721	328,956
Current Liabilities		
Accounts Payable	14,300	21,326
Grants in Advance	0	80,000
Employee provisions	8,429	0
GST/PAYG	(3,419)	0
Rounding	(15)	
Total Current Liabilities	19,295	101,326
Net Current Assets	367,426	227,630
Net Assets	367,426	227,630
Equity		
Accumulated Surplus	367,426	227,630
Total Equity	367,426	227,630

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2020

	2020	2019
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	227,630	132,899
Net Surplus / (Deficit)	<u>139,796</u>	<u>94,731</u>
Balance at end of period	<u>367,426</u>	<u>227,630</u>
Total Equity	<u>367,426</u>	<u>227,630</u>

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**Statement of Cash Flows for the Year Ended 30th June 2020**

	2020	2019
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	678,147	328,452
Payments	(448,083)	(269,962)
GST Paid (received)	(33,398)	(4,987)
Finance Costs	(3,958)	(3,637)
Interest Receipts	2,282	4,456
Net Cash Provided by (Used in) Operating Activities	194,990	54,322
Net increase/(decrease) in Cash Held	194,990	54,322
Cash at the beginning of the reporting period	181,281	126,959
Cash at the end of the reporting period	376,271	181,281

Reconciliation of Change in Net Assets to Cash from operating activities

	2020	2019
		\$
Net Surplus	139,796	94,731
Decrease / (Increase) in Debtors	137,225	(147,675)
(Decrease) / Increase in Accounts Payable	(2,031)	27,266
(Decrease) / Increase in Grants in Advance	(80,000)	80,000
Net Cash provided by Operating Activities	194,990	54,322

The above Statement of cash Flows should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

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 Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.4 Rounding

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

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has one employee having converted the EO from contractor to employee in February 2019.

1.7 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions (not levies) by Constituent Councils are equal.

Constituent Council Subscription 2020	\$12,000
Constituent Council Subscription 2019	\$11,200

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration:	The operation of the Office of the Association and its decision making forums.
Special projects:	The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2020	104,959	120,640	225,599	40.2%	176,808	41.9%	48,791
2019	106,989	80,829	187,818	50.7%	184,528	66.9%	3,290

Projects

2020	318,622	17,334	335,956	59.8%	244,951	58.1%	91,005
2019	154,250	12,255	166,505	44.9%	68,020	24.7%	98,485

Total

2020	423,581	137,974	561,555	100%	421,759	100%	139,796
2019	261,239	109,484	370,723	100%	275,993	100%	94,731

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2020	2019
Consultants:	Jeanette Pope	\$0	\$0
	Grange Advisors Pty Ltd	\$0	\$85,239
	HDS Australia Pty Ltd	\$5,653	\$23,444
	RH&C (CVH)	\$0	\$45,000
	Seed Consulting	\$117,182	\$0
	Jack Jensen	\$60,222	\$0
	Penny Worland Consulting	\$60,894	\$13,840
	Totals	\$243,951	\$167,523

4. Comparison of Budget and Actual Results

	2020		2019	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	152,914	225,599	174,273	187,818
Projects	20,033	335,956	20,050	182,905
Total Revenue	172,947	561,555	194,323	370,723
Expenditure				
Administration	175,750	176,808	170,000	184,529
Projects	77,400	244,951	68,050	91,464
Total Expenditure	253,150	421,759	238,050	275,993
Surplus (Deficit)	(80,203)	139,796	(43,727)	94,731

Southern & Hills Local Government Association – Financial Statements Year Ended 30th June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

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

Dated 31st August 2020



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2020, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Dated 31st August 2020



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT



The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Association
13 Ringmer Drive
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2020**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association 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.

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**

A handwritten signature in blue ink, appearing to read 'Jon Colquhoun'.

**Jon Colquhoun
Director**

**Adelaide, South Australia
31 August 2020**

hlb.com.au

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HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.



Independent Auditor's Report to the Members of Southern & Hills Local Government Association

Opinion

We have audited the financial report of Southern & Hills Local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2020, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence 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.

Responsibilities of Management and Board Members for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Board Members are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board Members 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.

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
31 August 2020

Jon Colquhoun
Director

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MOUNT BARKER
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