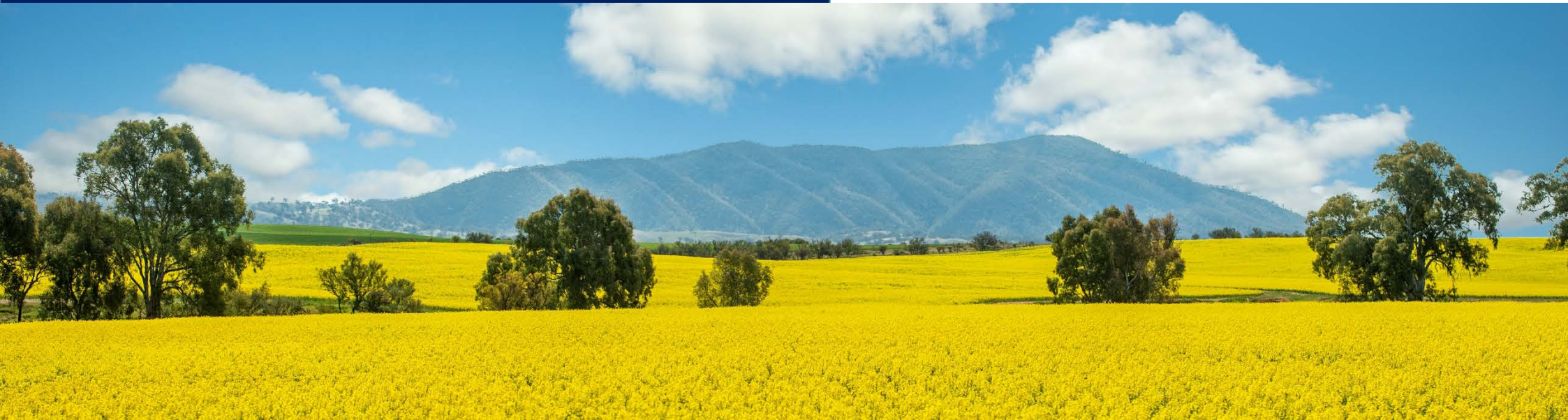


District Council of Mount Remarkable

Annual Report

2019 - 2020



District Council of
Mount Remarkable

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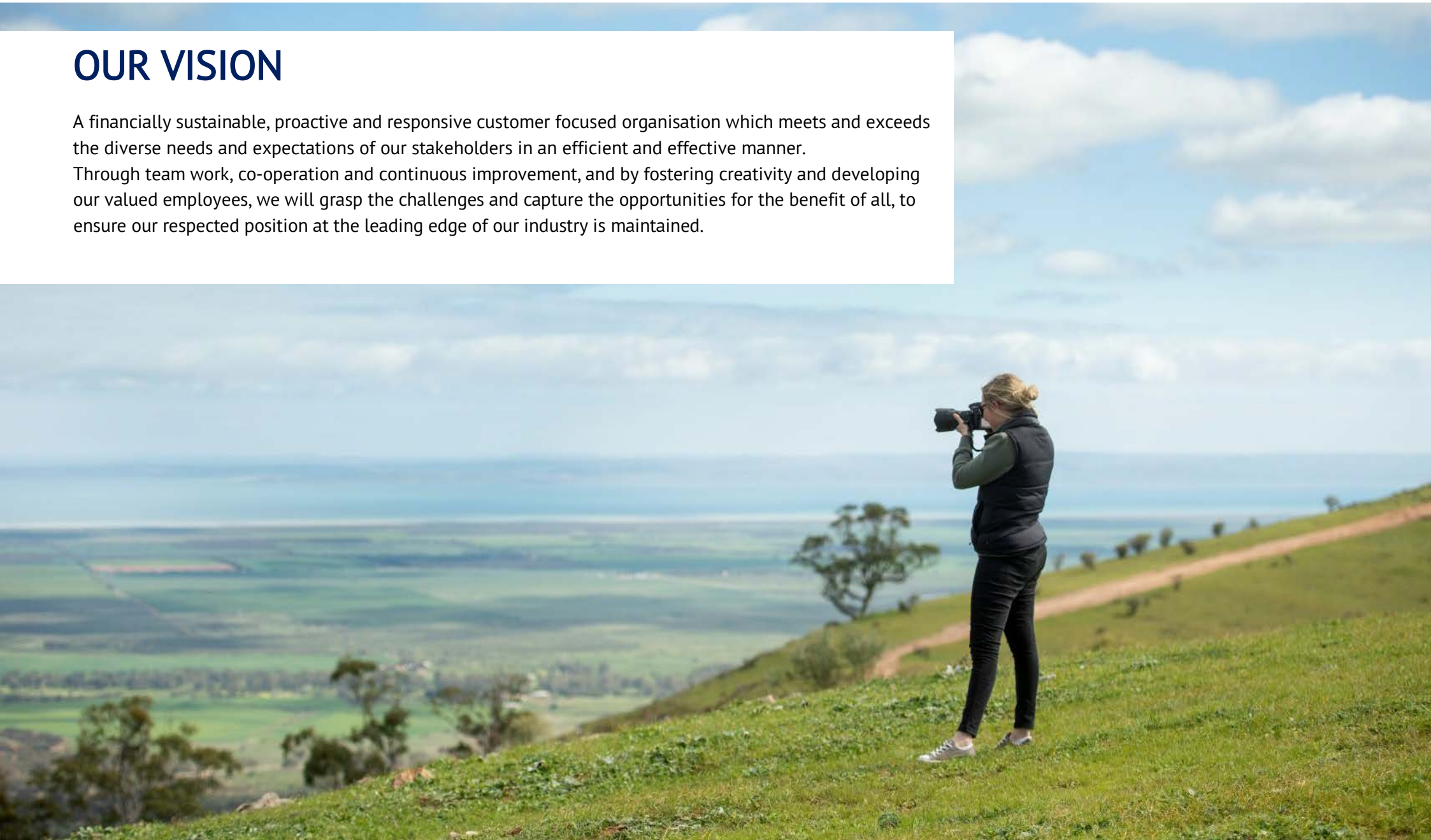
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OUR VISION

A financially sustainable, proactive and responsive customer focused organisation which meets and exceeds the diverse needs and expectations of our stakeholders in an efficient and effective manner.

Through team work, co-operation and continuous improvement, and by fostering creativity and developing our valued employees, we will grasp the challenges and capture the opportunities for the benefit of all, to ensure our respected position at the leading edge of our industry is maintained.



OUR COMMUNITIES

The area of the District Council of Mount Remarkable is located in the Southern Flinders Ranges of South Australia. The Council Office is situated in the township of Melrose, which is at the foot of Mount Remarkable and is 380m above sea level. The Council borders the upper reaches of the Spencer Gulf, and is predominantly agricultural including mixed farming.

The district is 3,413 sq. kilometres in area and has a population of 2,902 (ABS 2017). The major townships within the area are Booleroo Centre, Melrose, Port Germein, Weeroona Island, Wilmington and Wirrabara. Additionally, smaller towns and settlements are located throughout the Council area, including Amyton, Appila, Bangor, Baroota, Booleroo Whim, Bruce, Hammond, Mambray Creek, Mookkra, Murraytown, Nectar Brook, Telowie, Terka, Willowie, Winninowie, Wongyarra and Yandiah.

Much of the area north and east of Wilmington consists of large pastoral holdings. There are also small pockets of apiarists, orchards, market gardens and wineries in the southern portion of the Council district around Wirrabara. The district is also attracting alternative energy generators with solar farms, a wind farm and pump-hydro operations either planned and/or ready to commence the building phase. There are three National Park properties in the district namely the Mount Remarkable National Park (16,149ha Telowie Gorge Conservation Reserve (1,946ha) and a newly declared conservation park west of Wirrabara along the ranges (information yet to be advised). The Port Germein Jetty is also a significant item of State history and heritage.

2,902
Population

6 Major
Towns

17 Minor
Towns

3,413km²



OUR MISSION

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living.

Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

- Developing the Community, its resources and its infrastructure in a socially just and sustainable manner;
- Improving the quality of life and amenity of the Community;
- Managing, developing and protecting the environment
- Promoting the area and providing an attractive climate and location for the development of business, commerce, industry and tourism;
- Ensuring a proper balance between economic, social, environmental and cultural considerations within the Community;
- Developing leadership, advocacy and service delivery challenges; and
- Exercising, performing and discharging the power, functions and duties of the Local Government Act 1999 and other relevant legislation.



ROLES & OBJECTIVES

The Local Government Act 1999 specifies the roles and objectives of Council. The Mission Statement within Council's Strategic Management Plan substantially mirrors these and reads:

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living. Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

Advocate

- Awareness
- Planning
- Media advertising
- Stakeholder engagement
- As representative, informed and responsible decision maker;
- Planning at the local and regional level for the future

Assist

- Engaging effective resources
- Developing initiatives within the Community
- Managing, developing and protecting the environment
- Providing and co-ordinating services, facilities and programs that are adequate, appropriate and equitably accessed.

Advance

- Development of new business, commerce, industry and tourism;
- Ensuring a proper balance between economic, social, environmental and cultural considerations within the community;
- Enhanced capacity and professionalism
- Growth of leadership, advocacy and service delivery challenges
- Exercising, performing and discharging the power, functions and duties of the Local Government and other Acts.

Council Representation

As at 30 July 2020 there were 1,232,618 House of Assembly electors, this provides an elector representation of 1,763 electors per Council Member.

In comparison, the representations in neighbouring Councils are:

6 in Orroroo/Carrieton;

9 in Flinders Ranges;

9 in Peterborough;

9 in Northern Areas;

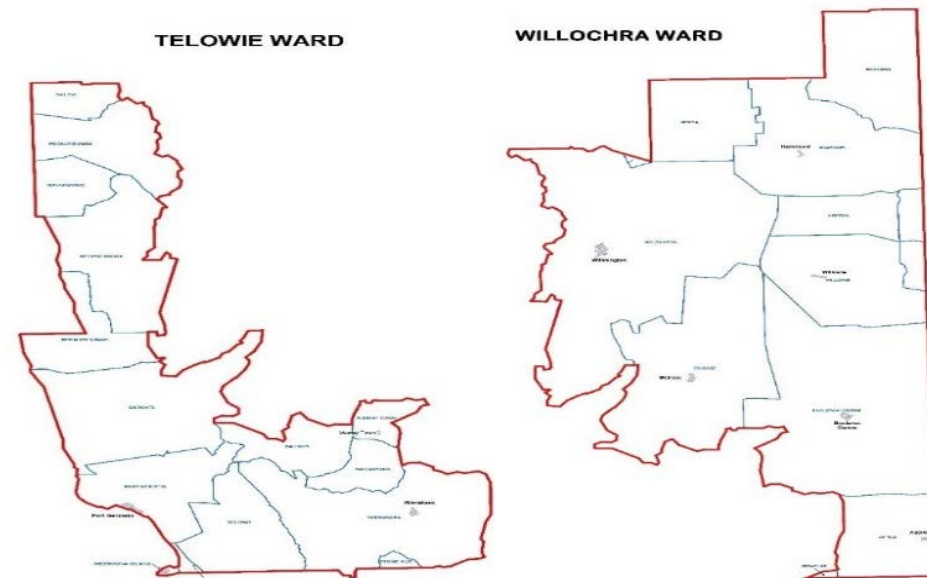
10 in Port Augusta; and

10 in Port Pirie.

[Source: LGA Representation Quotas 2019-2020, derived from information provided by the Electoral Commission of SA at 28/02/2020]

Council Composition & Ward Structure

The District Council of Mount Remarkable is divided into two (2) Wards. The Council currently comprises seven (7) Council Members or Councillors elected by the electors of the respective Wards [*Willochra Ward* has 4 Councillors and *Telowie Ward* has 3 Councillors]. The members of the Council from amongst their own number choose the Principal Member or Chairperson, whom they determined to have the title of Mayor. Council meets on the third Tuesday of every month at 4.30pm in Melrose.



Council Members (at 30 June 2020)



2019-2020 Councillors Pictured:

(Left top row) Cr Jan Woolford, Cr Vicki Morley, Cr Greg Prestridge, Cr Barry Richards (Deputy Mayor).

(Left bottom row) Cr Colin Nottle, Cr Danny Keller, Cr Don Norton, Cr Phillip Heaslip (Mayor).

Councillors are part of the incorporated body handling the responsibility for carrying out the duties and exercising the powers conferred on the Council by the Local Government Act 1999 (the 'Act') and other relevant State legislation.

The Act specifies that Council members:

- Represent the interests of ratepayers and residents;
- Provide community leadership and guidance; and
- Facilitate communication between the community and the Council.

The role of a Council member involves:

- Participating in the deliberations and civic activities of the Council;
- Keeping the Council's objectives and policies under review so as to ensure that they are appropriate and effective; and
- Keeping the Council's resource allocation, expenditure and activities, and the effectiveness and efficiency of its service delivery, under review.

During the 2019/2020 financial year there were two resignations of Councillors.

Cr Jan Woolford resigned in August 2019, and through a supplementary election for that vacancy Cr Greg Prestridge was elected in December 2019.

Cr Vicki Morley resigned in February 2020, and a supplementary election for that vacancy was in progress at 30 June 2020. Cr Stephen McCarthy was subsequently elected in July 2020.

Council Member Allowances

Allowances are determined pursuant to Section 76 of the Local Government Act 1999 and the Local Government (*Members Allowances and Benefits*) Regulations 2010. The level of allowances (minimum and maximum amounts) are determined by the Remuneration Tribunal which is appointed by the State Government and outside of the control of Council. Allowances are set prior to each periodic election (2018) and are indexed annually. Allowances as at 30 June 2020 were:

Mayor	\$ 26,968.00 per annum
Deputy Chairperson	\$ 8,427.50 per annum
Councillor	\$ 6,742.00 per annum

	P	A	Ab	Absent no apology							
Elected Members Council & Committee Meeting Attendances 2019/2020 Financial Year	Cr Henship	Cr Nottle	Cr Woolford	Cr Morley	Cr Richards	Cr Norton	Cr Keller	Cr Prestridge	Totals		
									P	A	Ab
10 September 2019	P			P					2		
12 November 2019	P			P					2		
10 March 2020	P								1		
9 June 2020						P					
	P			2		1			6		
	A								0		
	Ab									0	
	3	0	0	2	0	1	0	0			

	P	A	Ab	Absent no apology							
Elected Members Council & Committee Meeting Attendances 2019/2020 Financial Year	Cr Henship	Cr Nottle	Cr Woolford	Cr Morley	Cr Richards	Cr Norton	Cr Keller	Cr Prestridge	Totals		
									P	A	Ab
23 September 2019				P	P				2		
9 December 2019				P	P				2		
	P			2	2				4		
	A								0		
	Ab									0	
	0	0	0	2	2	0	0				

	P	A	Ab	Absent no apology							
Elected Members Council & Committee Meeting Attendances 2019/2020 Financial Year	Cr Henship	Cr Nottle	Cr Woolford	Cr Morley	Cr Richards	Cr Norton	Cr Keller	Cr Prestridge	Totals		
									P	A	Ab
8 October 2019	P								1		
3 December 2019	AB										1
10 March 2020	P								1		
2 June 2020	P								1		
	P								3		
	A								0		
	Ab								1		1
	4	0	0	0							

	P	A	Ab	Absent no apology							
Elected Members Council & Committee Meeting Attendances 2019/2020 Financial Year	Cr Henship	Cr Nottle	Cr Woolford	Cr Morley	Cr Richards	Cr Norton	Cr Keller	Cr Prestridge	Totals		
									P	A	Ab
13 February 2020							P		1		
	P								1		
	A								0		
	Ab									0	
	0	0	0	0	0	0	1				

	P	A	Ab	Absent no apology														
Elected Members Council & Committee Meeting Attendances 2019/2020 Financial Year	Ct Henship	Ct Nettle	Ct Woolford	Ct Morley	Ct Richards	Ct Norton	Ct Keller	Ct Prestidge	Totals									
	P	A	Ab								P	A	Ab					
Council Statutory Committee Meetings																		
Regional Development Assessment Panel																		
P												0						
A													0					
Ab																		0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Fire Safety Committee																		
P												0						
A													0					
Ab																		0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Bushfire Prevention Committee																		
P												0						
A													0					
Ab																		0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit Committee																		
22 October 2019	P			P	P							3						
28 April 2020	P				P							2						
P	2			1	2							5						
A													0					
Ab																		0
	2	0	0	1	2							2	0	0	0	0	0	0
Overall Attendance Summary																		
Attend	31	22	4	17	26	23	23	14										
P	30	19	4	17	26	22	21	139										
A		3				1	2						6					
Ab	1																	1

Audit Committee Independent Chair \$ 900.00 per meeting

In addition, a Travel Time Allowance of \$426 per annum is payable to council members, excluding the principal member, whose usual place of residence is within the relevant Council area and is located at least 30 kms but less than 50 kms from that Council's principal office, via the most direct road route [currently one (1) Councillor].

Members are also reimbursed for prescribed out-of-pocket expenses incurred whilst representing Council on official duties.

Council Committees (as at 30 June 2020)

- Melrose Caravan and Tourist Park Management Advisory Committee
- Audit Committee
- Flinders Regional Development Assessment Panel
- Northern Passenger Transport Network Management Committee
- Booleroo & District Community Airstrip Management Committee
- Building Fire Safety Committee
- Workplace Health & Safety Committee

These committees meet on an 'as needs' basis to make recommendations to Council on issues in their respective policy areas.

Other Committees & Outside Bodies (as at 30 June 2020)

Other committees and outside bodies with which Council is involved include:

- Mount Remarkable CFS Group
- Local Government Association of SA
- Local Government Finance Authority of SA
- Central Local Government Region of SA (Legatus Group)
- Flinders Mobile Library (Sec 41 Committee Northern Areas Council)
- Zone Emergency Management Committee
- Mount Remarkable Community Road Safety Committee
- FYMN Regional Bushfire Management Committee

Council Members' Training & Development

Pursuant to the provisions of Section 80A of the Local Government Act 1999, Council has in place an Elected Members Training and Development Policy which is available for inspection or purchase by the public from the Council office. Council Members undertook various mandated and in-house training sessions. All Councillors have completed all mandated training modules.

Senior Officer Remuneration (2019/2020 Financial Year)

Chief Executive Officer (Wayne Hart) – Contract (\$194,815) – resigned effective 27 May 2020

LG Super Scheme 9.5% of salary, provision of personal computer, internet, mobile telephone, telephone rental, full private use of vehicle.

Deputy Chief Executive Officer (Jessie White) – Contract (\$113,300) – redundancy effective 30 June 2020

LG Super Scheme 9.5% of salary, provision of mobile telephone and laptop, subsidised telephone rental, subsidised internet access, full private use of vehicle.

Director Works (John Hadley) – Contract (\$97,850) – contract ended 30 June 2020

LG Super Scheme 9.5% of salary, provision of mobile telephone and laptop, subsidised telephone rental, subsidised internet access, full private use of vehicle.

Manager Economic Development & Financial Services (Craig Mudge) – Contract (\$91,315) – commenced in role 1 June 2020

LG Super Scheme 9.3% of salary, provision of laptop computer, iPad and mobile telephone, restricted private use of vehicle.

Manager Tourism & Community Development (Ebony Rodda) – Contract (\$84,779) – commenced in role 1 June 2020

LG Super Scheme 9.5% of salary, provision of laptop computer, iPad and mobile telephone, restricted private use of vehicle.

The Chief Executive Officer role was filled on a contractor basis as at 30 June 2020 with the vacancy being under recruitment. The other Manager roles were also under recruitment at this time.

Regional Subsidiaries

As at 30 June 2020, Council had two regional subsidiaries that fall within the provisions of Section 43 of the Local Government Act 1999. These are the Central Local Government Region of SA Inc. (trading as the *Legatus Group*)

These regional subsidiaries produce their own individual Annual Reports. The Local Government Act 1999 provides that each constituent Council must incorporate the annual report of each regional subsidiary into its own annual report and these are included at Appendix C.

Confidentiality Provisions

During the 2019/20 financial year the Council utilised the confidentiality provisions Section 90(2) of the Local Government Act 1999 on a total of 26 occasions, namely:

- 20/08/2019 Confidential Report
- 20/08/2019 Confidential Report
- 29/08/2019 CEO Annual Performance Review
- 29/08/2019 CEO Annual Performance Review
- 17/09/2019 Rate Rebate
- 12/12/2019 Legal Advice
- 12/12/2019 Tourism Infrastructure Readiness Program
- 17/12/2019 Melrose Caravan Park
- 21/01/2020 Request for a Licence for Underground Infrastructure
- 18/02/2020 Road Reserve – Request to Purchase
- 18/02/2020 Melrose Caravan & Tourist Park
- 24/02/2020 Chief Executive Officer – Performance
- 02/03/2020 Procurement
- 02/03/2020 Procurement
- 06/03/2020 Report from Consultant Robert Wallace
- 06/03/2020 Report from Consultant Robert Wallace

- 23/03/2020 HR matter
- 03/04/2020 HR matter
- 03/04/2020 HR matter
- 05/05/2020 HR matter
- 23/03/2020 HR matter
- 23/03/2020 HR matter
- 23/03/2020 HR matter
- 17/03/2020 HR matter
- 23/03/2020 HR matter
- 06/03/2020 Report from Consultant Robert Wallace

Consisting of:

- Section 90(3)(a) – 3 occasions
- Section 90(3)(b) – 20 occasions
- Section 90(3)(g) – 1 occasions
- Section 90(3)(h) 1 occasion
- Section 90(3)(j) - 1 occasion

During the 2019/2020 financial year the Council made orders pursuant to Section 91(7) on the same dates (ie 26 occasions as listed above).

During the 2019/2020 financial year no orders expired, ceased to apply or were revoked.

As at 30 June 2019, twenty six (26) remained operative (as listed above).

Registers & codes of conduct & mandatory policies

Registers

- Members Register of Interest
- Member Register of Allowances and Benefits
- Officers Register Salaries
- Officers Register of Interest
- Fees and Charges
- Community Land
- Public Roads
- By-Laws
- Register of Internments
- Register of Internment Rights
- Campaign Donation Returns
- Development Applications Register
- Gifts and Benefits Register

Codes

- Code of Conduct for Council Members
- Access to Council Meetings, Council Committees and Council Documents
- Code of Conduct for Council Employees

Policies & Other Documents

- Annual Business Plan and Budget including the Rating Policy
- Building Inspection Policy
- Caretaker Policy
- Complaints Handling Procedure under Member's Code of Conduct
- Complaints Handling Policy and Procedure
- Tender Opening and Evaluation Policy
- Council Members Allowances and Support Policy
- Council Members Training & Development Policy
- Informal Gatherings Policy
- Internal Financial Control Policy
- Internal Review of Council Decision Policy and Procedure
- Code of Practice for Access to Council Meetings and

Documents

- Order Making Policy
- Prudential Management Policy
- Public Consultation Policy
- Request for Services Policy and Procedures
- Road and Public Place Name Policy
- Disposal of Land and Assets Policy
- Fraud and Corruption Prevention Policy
- Council's Protocol - Ombudsman Enquiry Procedure
- Risk Management Policy
- Records Management Policy
- Safe Environment Policy

- Enforcement Policy
- Procurement Policy
- Rates Remission and Hardship Policy
- Community Wastewater Management Scheme and

Water Supply Hardship Policy

- Volunteer Management Policy & Procedure
- Election Signs Policy
- Whistle blowers Protection Policy
- Various Other Council Policies included in the Policy

Manual

- Various Other Work Health & Safety Policies and

Other Documents

- Freedom of Information Statement
- Assessment Records
- Voters Roll
- Long Term Financial Plan
- Strategic Management Plan
- Asset Management Plans
- Annual Business Plan and Budget
- Annual Reports
- Dog and Cat Management Plan
- Public Health Plan
- Better Development Plan
- Roadside Vegetation Management Plan
- Road RACK Plans (Rural and Urban)



Community Land Management Plans

All land, except roads, held as at 1st January 2000 is classified as 'community land' unless Council resolved to exclude it from that classification. The intention behind the legislation is that Council, in consultation with the community, should determine which land should or should not be classified as community land. Where the land is under the care, control and management of a Council, but is not owned by the Council, the Council cannot resolve to exclude the land from classification as community land without the approval of the relevant Minister.

Management Plans are required for land that is, or is to be, occupied under a lease or licence or land that has been, or is to be, specifically modified or adapted for the benefit or enjoyment of the community. Such plans were required to be prepared for land held as at 1st January 2000, and land acquired after 1st January 2000, as soon as practicable after the requirement for the plan arises. A person must not use community land for a business purpose

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

Copies of the Council's Community Land Management Plans are available for viewing on the website or purchase at the Council Office during normal business hours.

Council Auditor

Section 128(9) of the Local Government Act 1999 requires Council to disclose, as part of its Annual Report, the remuneration payable for the annual audit. During the 2019/2020 financial year, Council's auditors, *Galpins Accountants Auditors and Business Consultants*, were paid a total of \$23,398 (excluding GST). This amount was entirely in relation to the annual audit of Council's financial statements.

Review of Council Decisions

Section 270 of the Local Government Act 1999 requires that Council must establish grievance procedures for the review of decisions of the Council, employees of the Council and other persons acting on behalf of the Council. Council has a formal Policy Document in this respect entitled “Internal Review of a Council Decision” which is available for inspection or purchase by the public from the Council office and on Council’s website. Council received no requests for Internal Review of a Council Decision in the 2019/20 financial year.

Competitive Tender Arrangements

Council has prepared and adopted a ‘Procurement Policy’ in accordance with Section 49 of the Local Government Act 1999. Copies of this document are available for inspection or purchase at the Council Office during normal business hours.

Competitive Neutrality

The primary objective of the ‘National Competition Policy’ is to ensure that local businesses gain an opportunity to compete for the provision of Local Government business. Complaints must be received in writing detailing the nature of the complaint and how they believe such activity by the Council is disadvantaging the complainant. The complaint will be processed in accordance with Council’s Complaint Handling Policy. Copies of this document are available for inspection or purchase at the Council Office during normal business hours, and also available on Council’s website www.mtr.sa.gov.au.

Council is required to include in its Annual Report, specific information related to significant business activities, competitive neutrality, by-laws and complaints. In relation to this:

- Council has three significant business activities in the form of the Melrose Caravan Park, the Melrose Post Office and the Weeroona Island Water Supply.
- There has been no change in the application of competitive neutrality since the last return.
- Council presently has no by-laws in force that would restrict competition, and none have been repealed in the past 12 months.
- No complaints about competitive neutrality were received during the preceding 12 months.

EEO & Human Resource Management

The Council has a responsibility to all members of its community to create an employment environment which is free of discrimination and which reflects the diversity and needs of the community it serves. The Council is firmly committed to the principle of equal opportunity in employment for all employees and potential employees. Council acknowledges its legal obligations under the SA Equal Opportunity Act 1984, the Local Government Act 1999 and Federal Equal Opportunity laws.

As part of this Council:

- Ensures that recruitment, selection, promotion, transfer and training are based solely on the merit principle; and
- Ensures that services provided to residents will be delivered in a fair and equitable manner.

Rates

In 2019/2020 Council had a two (2) per cent increase in general rate revenue, fixed charge and the service charges.

Natural Resource Management

Council is within the Northern and Yorke Natural Resources Management Region. For more information visit the Board's website at www.naturalresources.sa.gov.au/northernandyorke.



Public & Environmental Health

The District Council of Mount Remarkable employs an Environmental Health Officer for health inspections, safe water testing, a raft of regulatory functions, and community health training as required throughout the year. The compliance workload on local government has increased markedly with the introduction and changes to various legislation such as the South Australian Public Health Act in 2011, Safe Drinking Water Act 2011, Food Act 2001, Local Nuisance and Litter Control Act 2016 and the Environment Protection (Air Quality) Policy 2016. Inspections of food handling and preparation premises are undertaken with the overall aim to ensure that all such premises are operating to the required standards, along with water, legionella and other testing regimes.

Waste Management

Council presently operates a major landfill facility at Willowie and two smaller transfer sites at Port Germein and Wirrabara. All former landfill facilities have been rehabilitated and closed.

Freedom of Information (FOI) – information summary

- Certificates Issued

The District Council of Mount Remarkable publishes this Information Summary in accordance with the requirements of the Freedom of Information Act 1991, as amended. A FOI Information Statement can be found at Appendix A.

One (1) Freedom of Information application was received by Council in the 12 months to 30 June 2020.

Policy & Administrative Documents

The District Council of Mount Remarkable policy and administrative documents are as follows:

- Ordinary Council Meeting Agendas
- Ordinary Council Meeting Minutes
- The Annual Business Plan and Annual Budget
- Annual Financial Statements
- The Annual Report
- Assessment Records
- Better Development Plan
- Dog and Cat Management Plan
- Public Health Plan
- Long-Term Financial Plan
- Asset Management Plans
- Policy Manual
- Work Health & Safety Manual

These documents are available for public inspection at the Council Office between 9.00 am and 5.00 pm Monday to Friday. Members of the public may purchase copies of these documents. The documents are also available on the Council website.

TARGET MEASURE	OUTCOME
Review Council's Strategic Management Plan	Continued – Councillors resolved staff obtaining 3 quotes from an external consultant to facilitate this at its Ordinary Meeting in May 2020
Continue the ongoing review of Council policies and procedures	Continued – Councillors resolved staff obtaining 3 quotes from an external consultant to review all its policies and procedures at its Ordinary Meeting in May 2020
Continue the Rebranding of the Council and the promotion of "Remarkable Experience"	Continued
Continue Council's Monthly Newsletter, Facebook posts and Website updates for public communication	Continued
Resheet 12 kms of category 1 unsealed roads	Resheeted 12 kms of category 1 unsealed roads
Resheet 13 kms of category 2 unsealed roads	Resheeted 15.41 kms of category 2 unsealed roads
Resheet 0.9 kms of category 3 unsealed roads	Resheeted 1.15 kms of category 3 unsealed roads
Patching of various roads	Patching has continued per maintenance program
Construct new sheeted road to Wirrabara new Ablution Block	Completed
Install flood ways at Nectar Brook Road	Completed
Construct and Seal roads and kerbing in Wilmington, Weeroona Island and Melrose	Completed
Reseal roads verges in Melrose, Wirrabara and Booleroo Centre	Completed
Undertake refurbishment works at Appila and Wilmington Halls and Weeroona Island and Melrose public toilets	Refurbishment works at Appila and Wilmington Halls to be completed as part of Drought Communities Program Extension in 2020/21 financial year
Undertake drainage and civil works in Wirrabara Cemetery	Completed
Install footpaths in the Port Germein Cemetery	Completed
Develop a new carpark at the Booleroo Centre Cemetery	Completed
Carry out footpath refurbishment in Murray Town	Completed
Install 3 bridges Wilmington to Melrose Rail Trail	Completed
Commence resurfacing Wirrabara to Stone Hut Rail Trail	Completed
Continue to investigate suitable Rubble Pits throughout the District for resheeting of roads	Ongoing
Continue the Community Assistance Grants	Continued
Continue membership with the Regional Development Board	Continued

Provide and subsidise Rural Doctors consulting rooms in Wilmington and Wirrabara	Continued
Provide Annual School Awards	Continued
Continue membership to the Flinders Mobile Library	Continued
Work with agencies for the continuance of the Northern Passenger Transport Network	Continued
Facilitate the annual Australia Day Awards	Continued
Continue to be an active member in the Legatus Group	Continued
Continue support for the Star Club Program	Continued
Continue the Leases of Community and Sporting Facilities	Continued
Continue to encourage growth or new businesses within the region	Continued
Continue works to develop the Bluff Lookout	Continued – Council is receiving updated costings for the project with work anticipated to be completed in the 2020/21 financial year
Continue working with DEW and other parties to progress 'Around the Mount' bike trail concept	Continued
Continue to work on access and development of cycling trails in the Wirrabara Forest	Continued
Continue working with agencies to complete the seawall works at Port Germein	Continued – Council has received approval from relevant State Government agencies and the project will be completed in 2020/21 financial year
Commence installation of Heavy Vehicle Regulatory Signage	In Progress – to be continued and finalised over next two financial years
Upgrade Melrose CWMS to facilitate watering of Melrose Oval	Completed

Strategies & Performance

- Targets and Outcomes 2018/19 non-financial performance measures
- Targets and Outcomes 2019/20 non-financial performance measures

The following table shows the 2018/2019 non-financial performance measure targets and outcomes for the financial year ending 30 June 2019, as per the Annual Business Plan and Budget:

External Grant Funding

The Council largely relies on external funding practically from Commonwealth Government for the Federal Assistance Grants for general purposes and roads, the additional Supplementary Local Roads Funding and Roads to Recovery Funding. These grants are almost half of the Council's annual income. Council sincerely appreciates receiving this funding as it ensures Council is able to continue to provide the services expected by its ratepayers and continue to improve and maintain its extensive road network.



Development

The following table illustrates the number and value of development approvals for the 2019/2020 financial year. Full details of Development Registers can be found on the Council website www.mtr.sa.gov.au

2019/2020		
Development	Number	Value
Total	72	\$4,743,269

Community Library

Libraries play a vital role in our communities and as Council does not have a formal library within the Council area, we are part of the Flinders Mobile Library (FML), which services 16 towns on a fortnightly basis. Costs are shared between the Northern Areas Council, the Port Pirie Regional Council and the District Council of Mount Remarkable, with Council financially contributing \$88,618 in the 2019/20 Financial year. FML also visits local schools in Melrose,

Wilmington and Booleroo Centre.



Sport & Recreation

Council's policy is to assist sporting clubs with the provision of Council reserves at a minimal lease fee with an expectation that the club or community group maintain the facility as best they can. Council assists with sponsor costs and in-kind support in grant application to improve sport and recreational facilities.

Council jointly employs a STARCLUB Field Officer with neighbour Councils and the State Government. The Officer provides assistance to schools, clubs and other organisations in various recreation and sport matters.



Australia Day Awards 2020

Annually Council invites nominations from citizens, community groups and organisations for the District Council of Mount Remarkable Australia Day Awards. The awards recognise and acknowledge outstanding efforts and achievements by local people and groups who contribute to community development.

There are four award categories available, the winners of the 2020 Award were:

Citizen of the Year: *Brenton Storey*

Young Citizen of the Year: *Holly Murray*

Community Event of the Year: *Melrose Fat Tyre Festival*

Junior Citizen of the Year: *Nil*

Financial Statements

The District Council of Mount Remarkable 2019/20 positive financial results is indicative of the progressive nature in which the Council is committed to ensuring its continued sustainability.

Pursuant to the provisions of Schedule 4 of the Local Government Act 1999, a full copy of the Audited Financial Statements for the financial year ending 30 June 2020 forms part of this Annual Report and are included at Appendix B. In particular detail below is indicated financial ratios, and the annual financial performances in detail.

Financial Ratios

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

Operating Surplus Ratio

The Operating Surplus Ratio expresses the operating surplus (deficit) as a percentage of total operating income. Council experienced a small percentage deficit for the year ending 30 June 2020 of -2.9%, (slightly less than breakeven result).

Net financial liabilities and net financial liabilities ratio

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

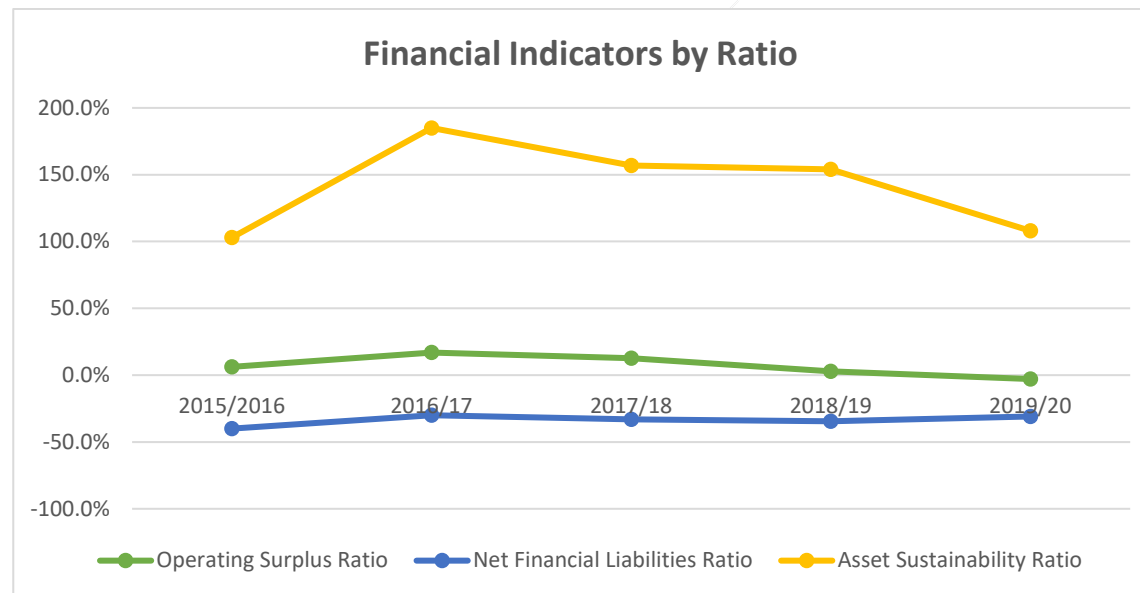
The negative result, -31%, for the year ending 30 June 2020 indicates that Council is in a net financial assets position and has sufficient capacity to continue its operational and accelerated capital expenditure programs and allows for any major project contingency.

Asset sustainability ratio

The Asset Sustainability Ratio indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to its Infrastructure and Asset Management Plans (IAMP). Council attained a result of 108% for the year ending 30 June 2020. This means that Council is spending more than the IAMPs expenses on asset renewal.

Financial performance

The following graphs show the above ratios of Council's financial performance over the past five years.



Appendices

FREEDOM OF INFORMATION (FOI) - Information Statement

The District Council of Mount Remarkable publishes this Information Statement in accordance with the requirements of Section 131 of the Local Government Act 1999, and Section 9 of the Freedom of Information Act 1991.

Council is pleased to comply with the legislation and welcomes inquiries. An updated Information Statement will be published at least once every 12 months.

1 STRUCTURE & FUNCTIONS OF THE COUNCIL

1.1 Full Council

Full Council, currently consisting of seven (7) Ward Councillors including the Mayor, is the decision making body on all policy matters. Ordinary meetings of the full Council are held on the third Tuesday of every month, commencing at 4.30 pm in Council Chambers, 3 Stuart Street Melrose. Members of the public are welcome to attend.

1.2 Committees & Advisory Groups

Committees and Advisory Groups have been established by Council to discuss/administer Council and Community business. These groups meet as required, and members of the public are welcome to attend. These Committees and Advisory Groups are:

- Melrose Caravan & Tourist Park Management Advisory Committee
- Audit Committee
- Flinders Regional Development Assessment Panel
- Booleroo & District Community Airstrip Management Committee
- Northern Passenger Transport Network Management Committee
- Building Fire Safety Committee
- Workplace Health & Safety Committee

1.3 Agendas and Minutes

Agendas of all Ordinary Council and Committee meetings are placed on display no less than three days prior to those meetings. Minutes of the meetings are placed on display within five days of the meeting. Agendas and Minutes are also available for viewing on Council's website www.mtr.sa.gov.au.

1.4 Delegations

The Chief Executive Officer and other Officers have delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are listed in the Delegations Register and are reviewed by Council in keeping with legislative requirements:

- To determine policies to be applied by Council in exercising its discretionary powers;
- To determine the type, range and scope of projects to be undertaken by the Council; and
- To develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of the Council.

The Council makes the strategic decisions which determine its activities and functions. Such decisions include the approval of capital works to be undertaken and services provided, and the resources which are to be made available to implement such works and services.

2 SERVICES FOR THE COMMUNITY

All councils have basic responsibilities under the Act and other relevant legislation. These include:

- numerous regulatory activities;
- supporting the elected Council;
- setting rates, preparing an annual business plan and budget, and determining longer-term strategic management plans for the area;
- management of basic infrastructure including roads, footpaths, public open spaces;
- street lighting and storm-water drainage;
- street cleaning, rubbish collection, recycling and waste management;
- Development planning and control, including building safety assessment;
- various environmental and public health services

Council also provides, performs or contributes to a range of additional services and programs in response to community needs, including (but not restricted to):

Mobile Library Service	Asset Management
Cemeteries	Animal and Plant Control
Booleroo Centre Airstrip	Walking and Riding Trails and Rail Trails
Melrose Licensed Post Office	Parking
Community Wastewater Mgt Schemes x 4	Playgrounds
Community Bus	Property Searches
Community Development	Public Toilets
Community Grants	Medical Facility
Community Engagement and Information	Recreation and Sporting Facilities
Community Passenger Transport	Road Construction and Maintenance
Community Halls and public venues	Leases
Abandoned Vehicles	Star Club Program
Council Newsletters	Rural Road Signs
Customer Service	Urban Street Signs
Caravan Parks	Street Trees and Gardens
Dog and Cat Management	Swimming Pool (Public)
Economic Development	Tourist and historical sites
Fire Prevention	Traffic Control
Food Act Administration	Waste Management Transfer Stations
Health Act Administration	Willowie Landfill Management
Safe Drinking Water Act Administration	Jetty Management
Safe Food Handling Training	Waste Collection
Drum Muster	Recycling Collection
Desludging Programs	Council Website
Environmental Health	Council Facebook Page

Local Nuisance and Litter Control Act	Kerbing Watertable Footpaths Floodways
Building Approvals	Tourism information and promotion
Planning Approvals	Weeroona Island Water Supply
Boat Launching Facility	Regional Development
Tidy Towns	Coastal Protection
Immunisation	Citizenship Ceremonies

3 PUBLIC PARTICIPATION

3.1 Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These are:

- (1) Deputations - with the permission of the Mayor, a member of the public can address the Council or a Committee personally or on behalf of a group of residents.
- (2) Presentations to Council - with prior notification and permission of the Mayor, a member of the public can address the Council on any issue relevant to Council.
- (3) Petitions - written petitions can be addressed to the Council on any issues within the Council's jurisdiction.
- (4) Written Requests - a member of the public can write to the Council on any Council policy, activity or service.
- (5) Council Members - members of the public can contact a Councillors to discuss any issue relevant to Council.

3.2 Community Consultation

The District Council of Mount Remarkable regularly consults with local residents and ratepayers on particular issues that affect their area. Examples of such situations include:

- (1) Community Information Forums- all residents and electors are eligible and encouraged to attend meetings.

(2) Residents are notified of some Development Applications requiring the approval of Council. When an application is publicly notified, residents have the opportunity to both write to Council expressing their view of the application, and to subsequently personally address the Council before a decision is made.

(3) Advertised Public Consultations seeking written submissions on a range of policies and other matters either mandated or informing the Council of public views.

4 ACCESS TO COUNCIL DOCUMENTS

4.1 Documents Available for Inspection

There are a range of documents mandated to be available for public inspection at the Council Offices free of charge. Members of the public may purchase copies of these documents (at the charges indicated):

Photocopies	\$0.30 per A4 sheet
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Minutes	\$7.50
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4.2 Other Information Requests

Requests for other information not included in Clause 4.1 above will be considered in accordance with the Freedom of Information provisions of the Local Government Act 1999.

Under this legislation, an application fee and a search fee must be forwarded with the completed request form, unless the applicant is granted an exemption. Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set in Clause 4.1 will apply.

Freedom of Information Request Forms should be addressed to:

Freedom of Information Officer
District Council of Mount Remarkable
PO Box 94
MELROSE SA 5483

Forms are available at the Council office. Applications will be responded to as soon as possible within the statutory thirty (30) days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees.

5 AMENDMENT OF COUNCIL RECORDS

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records, a member of the public must complete a Freedom of Information Request Form as indicated above, outlining the records that he/she wishes to inspect.

FINANCIAL STATEMENTS

District Council of Mount Remarkable
General Purpose Financial Reports
for the year ended 30 June 2020

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**Annual Financial Statements
for the year ended 30 June 2020**

CERTIFICATION OF FINANCIAL STATEMENTS

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

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



.....
Sam Johnson
CHIEF EXECUTIVE OFFICER



.....
Phillip Heaslip
MAYOR

Date: 15/09/2020

District Council of Mount Remarkable
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
INCOME			
Rates	2	3,946,293	3,874,764
Statutory charges	2	69,137	63,802
User charges	2	606,278	630,939
Grants, subsidies and contributions	2	2,828,568	2,975,065
Investment income	2	71,136	69,786
Reimbursements	2	310,826	159,114
Other income	2	166,861	279,182
Total Income		7,999,099	8,052,652
EXPENSES			
Employee costs	3	2,173,156	1,881,453
Materials, contracts & other expenses	3	3,679,526	3,737,904
Depreciation, amortisation & impairment	3	2,339,770	2,159,310
Finance costs	3	41,297	49,520
Total Expenses		8,233,749	7,828,187
OPERATING SURPLUS / (DEFICIT)		(234,650)	224,465
Asset disposal & fair value adjustments	4	(45,972)	(681,454)
Amounts received specifically for new or upgraded assets	2	145,637	1,101,399
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		(134,985)	644,410
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(7,428,089)	6,561,609
Total Other Comprehensive Income		(7,428,089)	6,561,609
TOTAL COMPREHENSIVE INCOME		(7,563,074)	7,206,019

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

District Council of Mount Remarkable
Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,437,175	3,616,736
Trade & other receivables	5	632,720	1,255,650
Inventories	5	4,714	7,519
Total Current Assets		5,074,609	4,879,905
Non-current Assets			
Financial assets	6	130,796	157,358
Infrastructure, property, plant & equipment	7	63,405,201	70,668,148
Total Non-current Assets		63,535,997	70,825,506
Total Assets		68,610,606	75,705,411
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,480,434	833,430
Borrowings	8	72,290	69,181
Provisions	8	329,718	406,279
Total Current Liabilities		1,882,442	1,308,890
Non-current Liabilities			
Borrowings	8	791,745	864,035
Provisions	8	39,640	72,626
Total Non-current Liabilities		831,385	936,661
Total Liabilities		2,713,827	2,245,551
NET ASSETS		65,896,779	73,459,854
EQUITY			
Accumulated Surplus		36,532,643	37,019,871
Asset Revaluation Reserves	9	27,857,330	35,285,419
Other Reserves	9	1,506,809	1,154,567
TOTAL EQUITY		65,896,779	73,459,854

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

District Council of Mount Remarkable
Statement of Changes in Equity
for the year ended 30 June 2020

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	Total Council Equity	Minority Interest Equity	TOTAL EQUITY
2020	Notes	\$	\$	\$	\$	\$	\$
Balance at end of previous reporting period		37,019,871	35,285,419	1,154,567	73,459,854	-	73,459,854
Net Surplus / (Deficit) for Year		(134,985)			(134,985)	-	(134,985)
Other Comprehensive Income							
Gain on revaluation of infrastructure, property, plant & equipment			(7,428,089)		(7,428,089)		(7,428,089)
Transfers between reserves		(352,242)		352,242	-		-
Balance at end of period	9	36,532,643	27,857,330	1,506,809	65,896,779	-	65,896,779
		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	Total Council Equity	Minority Interest Equity	TOTAL EQUITY
2019	Notes	\$	\$	\$	\$	\$	\$
Balance at end of previous reporting period		36,842,044	28,723,810	687,981	66,253,835		66,253,835
Net Surplus / (Deficit) for Year		644,410			644,410	-	644,410
Other Comprehensive Income							
Changes in revaluation surplus - infrastructure, property, plant & equipment			6,561,609		6,561,609		6,561,609
Transfers between reserves		(466,586)		466,586	-		-
Balance at end of period	9	37,019,871	35,285,419	1,154,567	73,459,854	-	73,459,854

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

District Council of Mount Remarkable
Statement of Cash Flows
for the year ended 30 June 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Receipts:</i>		
Rates - general & other	3,930,485	3,786,751
Fees & other charges	72,594	63,802
User charges	636,592	630,939
Investment receipts	122,750	27,023
Grants utilised for operating purposes	2,969,996	2,975,065
Reimbursements	326,367	159,114
Other revenues	1,228,741	613,565
<i>Payments:</i>		
Employee costs	(2,367,210)	(1,830,213)
Materials, contracts & other expenses	(3,608,859)	(4,102,585)
Finance payments	(45,811)	(64,806)
Net Cash provided by (or used in) Operating Activities	3,265,645	2,258,655
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Receipts:</i>		
Amounts specifically for new or upgraded assets	145,637	1,101,399
Sale of replaced assets	56,364	42,000
Sale of surplus assets	-	38,182
Repayments of loans by community groups	29,229	30,303
<i>Payments:</i>		
Expenditure on renewal/replacement of assets	(1,736,810)	(2,352,866)
Expenditure on new/upgraded assets	(870,438)	(1,076,353)
Loans made to community groups	-	(50,000)
Net Cash provided by (or used in) Investing Activities	(2,376,018)	(2,267,335)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Receipts:</i>		
<i>Payments:</i>		
Repayments of borrowings	(69,181)	(64,659)
Net Cash provided by (or used in) Financing Activities	(69,181)	(64,659)
Net Increase (Decrease) in cash held	820,446	(73,339)
Cash & cash equivalents at beginning of period	3,616,733	3,690,072
Cash & cash equivalents at end of period	4,437,179	3,616,733

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* by the Council at its ordinary meeting on 15 September 2020.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The District Council of Mount Remarkable is incorporated under the SA Local Government Act 1999 and has its principal place of business at 3 Stuart Street, Melrose. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income recognition

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

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

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

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

	Cash Payment Received	Annual Allocation	Difference	
2017-18	\$2,010,993	\$1,989,496	+	\$ 21,497
2018-19	\$2,506,403	\$2,674,000	-	\$167,597
2019-20	\$2,056,844	\$2,001,362	+	\$ 55,482

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

3.1 Construction Contracts

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 12 Financial Instruments have changed, there are no changes to the amounts disclosed.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 12.

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 Land under roads

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

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

6.2 Initial Recognition

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

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

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

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

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

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

10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

11 New and amended standards and interpretations

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

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

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

Adoption of AASB 16 Leases (AASB 16)

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

12 COVID-19

The COVID-19 pandemic has had minimal impact on the 2019-20 financial statements. However, it may be reason of some impact on the comparability of several line items.

The financial impacts are a direct result of either Councils response to the pandemic or due to mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Council has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

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

Note 2 - INCOME

	Notes	2020 \$	2019 \$
RATES REVENUES			
<u>General Rates</u>		3,043,128	2,955,691
Less: Mandatory rebates		(24,604)	(25,754)
Less: Discretionary rebates, remissions & write offs		(60,986)	(61,587)
		2,957,538	2,868,350
<u>Other Rates (including service charges)</u>			
Natural Resource Management levy		124,295	121,749
Waste collection		375,807	356,175
Water supply		54,610	-
Community wastewater management systems		412,541	404,436
Desludging		-	81,130
		967,253	963,490
<u>Other Charges</u>			
Penalties for late payment		25,137	40,407
Legal & other costs recovered		4,278	4,354
		29,415	44,761
Less: Discretionary rebates, remissions & write offs		(7,912)	(1,837)
		3,946,293	3,874,764
STATUTORY CHARGES			
Development Act & Planning fees		33,411	33,891
Health & Septic Tank Inspection fees		3,598	2,780
Animal registration fees & fines		22,692	19,431
Fire Prevention		3,690	1,326
Rates & Property Searches		5,747	6,374
		69,137	63,802
USER CHARGES			
Cemetery/crematoria fees		17,764	19,093
Waste Management		115,026	105,887
Melrose Caravan Park		354,562	391,079
Community Bus		4,579	8,581
Water supply		33,246	76,623
Road Reserves & Rental		-	25,329
Melrose Post Office		66,327	-
Sundry		14,774	4,347
		606,278	630,939

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

Note 2 - INCOME (con't)

	Notes	2020 \$	2019 \$
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		46,864	64,429
Banks & other		178	343
Loans to community groups		24,094	5,014
		71,136	69,786
REIMBURSEMENTS			
- for private works		2,332	723
Environmental Health Officer		40,788	16,526
Melrose Tennis Courts Resurfacing (check amount)		159,331	-
Insurance Claim Reimbursements		5,590	6,102
Booleroo Centre Swimming Pool Reimbursement		27,274	21,058
LGA Workers Compensation Fund Reimbursement		13,741	21,813
LG Income Protection Fund Reimbursement		23,304	13,598
Other Reimbursements		38,466	79,294
		310,826	159,114
OTHER INCOME			
Melrose Post Office		-	67,024
Northern Passenger Transport Network		34,941	38,729
LG Insurance Special Distributions		16,785	41,229
Fuel Tax Credits		45,541	59,607
Road Reserves & Rental		26,399	-
Sundry		43,195	72,593
		166,861	279,182
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		145,637	1,101,399
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		2,056,844	2,506,403
Roads to Recovery		557,656	258,257
Northern Passenger Transport Network		205,416	201,479
Sundry		8,652	8,926
		2,828,568	2,975,065
		2,974,205	4,076,464
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		2,620,137	3,764,660
State government		352,416	203,846
Other		1,652	107,958
		2,974,205	4,076,464

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

Note 3 - EXPENSE

	Notes	2020 \$	2019 \$
EMPLOYEE COSTS			
Salaries and Wages		1,748,424	1,381,744
Employee leave expense		451,543	486,455
Superannuation - defined contribution plan contributions	18	221,610	210,607
Superannuation - defined benefit plan contributions	18	30,273	28,482
Workers' Compensation Insurance		101,148	145,416
Less: Capitalised and distributed costs		<u>(379,842)</u>	<u>(371,251)</u>
Total Operating Employee Costs		<u>2,173,156</u>	<u>1,881,453</u>
Total Number of Employees		35	36
<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		23,398	23,029
Elected members' expenses		65,160	73,645
Election expenses		<u>11,049</u>	<u>17,553</u>
Subtotal - Prescribed Expenses		<u>99,607</u>	<u>114,227</u>
<u>Other Materials, Contracts & Expenses</u>			
Electricity		73,584	78,201
Gas		7,515	9,336
Water		152,143	175,035
Telephone & Internet		49,913	41,163
Fuels		267,221	363,420
Construction Materials		20,638	80,750
Office Consumables		9,291	11,567
Information Technology		79,993	83,121
Melrose Caravan Park		259,976	184,019
Other Materials		277,200	265,930
Cleaning		8,088	6,628
Consultancy & Professional Services		74,334	50,471
Waste Management Services		246,451	265,087
Vehicle Maintenance & Repairs		256,771	401,856
Freight		7,934	11,501
Desludging		-	83,707
Other Contractual Services		678,500	573,619
Legal Expenses		78,509	32,370
Government Levies - NRM Levy		121,271	118,083

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

Note 3 - EXPENSE con't

	2020	2019
Notes	\$	\$
Government Levies - Other	100,059	86,695
Fringe Benefits Tax	53,148	47,203
Travel & Accommodation	5,903	10,380
Conferences & Seminars	33,164	33,957
Memberships & Subscriptions	37,393	35,318
Printing & Postage	21,697	22,726
Publishing & Advertising	26,345	19,019
Contributions - Flinders Mobile Library	88,619	86,711
Contributions - Other	36,589	29,424
Vehicle Registrations	81,476	77,273
Grants to External Bodies	53,259	54,295
Insurances	206,494	205,387
Other Expenses	137,262	68,380
Melrose Post Office - Stock Purchases	18,500	-
Bank Fees	10,681	11,045
Subtotal - Other Materials, Contracts & Expenses	<u>3,579,919</u>	<u>3,623,677</u>
	<u>3,679,526</u>	<u>3,737,904</u>

DEPRECIATION, AMORTISATION & IMPAIRMENT

Depreciation

Plant & Equipment	390,073	334,879
Roads, Bridges & Footpaths	1,267,742	1,104,230
CWMS	186,649	132,326
Other Assets	76,232	120,664
Buildings	394,406	436,560
Office Equipment, Furniture & Equipment	24,668	30,651
	<u>2,339,770</u>	<u>2,159,310</u>

FINANCE COSTS

Interest on Loans	41,297	49,520
	<u>41,297</u>	<u>49,520</u>

District Council of Mount Remarkable
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	56,364	42,000	
Less: Carrying amount of assets sold	93,640	100,786	
Gain (Loss) on disposal	<u>(37,276)</u>	<u>(58,786)</u>	
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		38,182	
Less: Carrying amount of assets sold	8,696	660,850	
Gain (Loss) on disposal	<u>(8,696)</u>	<u>(622,668)</u>	
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(45,972)</u>	 <u>(681,454)</u>	

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

Note 5 - CURRENT ASSETS

	Notes	2020	2019
CASH & EQUIVALENT ASSETS		\$	\$
Cash on Hand and at Bank		628,938	402,095
Deposits at Call		3,808,237	2,214,638
Short Term Deposits & Bills, etc		-	1,000,000
		<u>4,437,175</u>	<u>3,616,736</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		559,602	543,794
Accrued Revenues		1,414	53,028
Debtors - general		46,325	630,782
Loans to community organisations		25,379	28,046
		<u>632,720</u>	<u>1,255,650</u>
INVENTORIES			
Stores & Materials		4,714	7,519
		<u>4,714</u>	<u>7,519</u>

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

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2020	2019
		\$	\$
Receivables			
Loans to community organisations		<u>130,796</u>	<u>157,358</u>
TOTAL FINANCIAL ASSETS		<u>130,796</u>	<u>157,358</u>

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

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

		2019				2020			
		\$				\$			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	3	4,562,778	-	-	4,562,778	4,562,778	-	-	4,562,778
Plant & Equipment		-	6,967,446	(3,233,251)	3,734,195	-	6,985,172	(3,378,245)	3,606,929
Roads, Bridges & Footpaths	3	42,240,568	1,679,115	(12,523,877)	31,395,806	46,997,726	1,873,162	(15,517,635)	33,353,254
CWMS	3	16,868,815	271,029	(2,940,236)	14,199,608	12,781,592	-	(3,403,470)	9,378,122
Other Assets	3	4,613,047	360,462	(711,849)	4,261,660	2,346,230	249,899	(693,311)	1,902,817
Buildings	3	19,754,923	796,387	(8,174,241)	12,377,069	24,800,537	89,877	(14,430,651)	10,459,766
Office Equipment, Furniture & Equipment		-	318,726	(181,694)	137,032	-	195,396	(53,861)	141,535
Total IPP&E		88,040,131	10,393,165	(27,765,148)	70,668,148	91,488,863	9,393,506	(37,477,173)	63,405,201
	Comparatives	76,281,950	13,697,518	(26,381,205)	63,598,263	88,040,131	10,393,165	(27,765,148)	70,668,148

This Note continues on the following pages.

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR								2020	
	\$	\$								\$	
	Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Adjustment	Net Reval'n	Carrying Amount
	New / Upgrade	Renewals	In				Out				
Land	4,562,778	-	-	-	-	-	-	-	-	-	4,562,778
Plant & Equipment	3,734,195	65,851	331,102	(98,687)	(390,073)	-	-	-	(35,459)	-	3,606,929
Roads, Bridges & Footpaths	31,395,806	786,696	1,086,466	-	(1,267,742)	-	-	-	-	1,352,028	33,353,254
CWMS	14,199,608	-	-	-	(186,649)	-	-	-	-	(4,634,837)	9,378,122
Other Assets	4,261,660	17,891	232,008	-	(76,232)	-	-	(1,755,212)	-	(777,298)	1,902,817
Buildings	12,377,069	-	89,877	-	(394,406)	-	1,755,212	-	-	(3,367,986)	10,459,766
Office Equipment, Furniture & Equipment	137,032	-	32,820	(3,649)	(24,668)	-	-	-	-	-	141,535
Total IPP&E	70,668,148	870,438	1,772,273	(102,336)	(2,339,770)	-	1,755,212	(1,755,212)	(35,459)	(7,428,093)	63,405,201
<i>Comparatives</i>	63,598,263	1,076,353	2,352,866	(761,636)	(2,159,310)	-	-	-	-	6,561,609	70,668,148

This note continues on the following pages.

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

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

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

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

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

District Council of Mount Remarkable

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

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

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use.

Land & Land Improvements

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

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

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2019 by Gayler Professional Services.

Infrastructure

Transportation assets were valued by Gayler Professional Services at depreciated current replacement cost during the reporting period ended 30 June 2020, based on actual costs incurred during the reporting periods ended 30 June 2019. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Gayler Professional Services as at 1 July 2019 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2019. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2020 by Gayler Professional Services. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

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

Note 8 - LIABILITIES

	Notes	2020		2019	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		397,321		242,346	
Payments received in advance		712,000		252,000	
Accrued expenses - employee entitlements		15,911		100,418	
Accrued expenses - other		355,202		238,666	
		<u>1,480,434</u>	-	<u>833,430</u>	-
BORROWINGS					
Loans		72,290	791,745	69,181	864,035
		<u>72,290</u>	<u>791,745</u>	<u>69,181</u>	<u>864,035</u>

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

PROVISIONS

Employee entitlements (including oncosts)	329,718	39,640	406,279	72,626
	<u>329,718</u>	<u>39,640</u>	<u>406,279</u>	<u>72,626</u>

Movements in Provisions - 2020 year only
(current & non-current)

	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance	-	-	478,905
Add Additional amounts recognised			116,063
(Less) Payments			225,610
Closing Balance	<u>-</u>	<u>-</u>	<u>369,358</u>

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2019	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2020
Notes	\$	\$	\$	\$
Buildings	10,340,869	(3,367,986)		6,972,883
Plant & Equipment	5,042,017			5,042,017
Roads, Bridges & Footpaths	10,804,647	1,352,028		12,156,675
CWMS	8,009,600	(4,634,837)		3,374,763
Water Supply & Other Infrastructure	1,088,286	(777,298)		310,988
				-
TOTAL	35,285,419	(7,428,093)	-	27,857,326
Comparatives	28,723,810	6,561,609		35,285,419

OTHER RESERVES	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
NPTN	202,177	22,317		224,494
Wirrabara CWMS	146,159	64,050		210,209
Weeroona Island Water Supply	245,014	2,632		247,646
Community Bus	26,851	288		27,139
Wilmington CWMS	184,809	84,058		268,867
Melrose CWMS	156,731	81,497		238,228
Booleroo Centre CWMS	92,172	96,319		188,491
Willowie Landfill	100,654	1,081		101,735
TOTAL OTHER RESERVES	1,154,567	352,242	-	1,506,809
Comparatives	687,981	506,065	(39,479)	1,154,567

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Other Reserves

Other reserves are investment accounts held by the Council where funds raised through rates or amounts received from various sources must be spent on the specific item it relates to. These funds are held in investment (or reserve) until required.

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

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2020 \$	2019 \$
Total cash & equivalent assets	5	4,437,175	3,616,736
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>4,437,175</u>	<u>3,616,736</u>

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

Net Surplus (Deficit)		(134,985)	644,410
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		2,339,770	2,159,310
Net increase (decrease) in unpaid employee benefits		(194,054)	51,240
Grants for capital acquisitions treated as Investing Activity		(145,637)	(1,101,399)
Net (Gain) Loss on Disposals		45,972	681,454
		<u>1,911,066</u>	<u>2,435,015</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		620,263	(248,173)
Net (increase) decrease in inventories		2,805	4,762
Net increase (decrease) in trade & other payables		731,511	67,051
Net Cash provided by (or used in) operations		<u>3,265,645</u>	<u>2,258,655</u>

(c) Non-Cash Financing and Investing Activities

	<u>-</u>	<u>-</u>
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(d) Financing Arrangements

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

Bank Overdrafts	15,000	15,000
Corporate Credit Cards	30,000	30,000
LGFA Cash Advance Debenture facility	100,000	700,000

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

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

Note 11 - FUNCTIONS

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

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Undertakings	935,174	1,051,958	530,363	563,362	404,811	488,596				
Community Services	270,723	295,061	500,100	585,385	(229,377)	(290,324)	205,439	202,272	12,818,678	14,144,216
Culture	1,190	3,363	157,605	142,405	(156,415)	(139,042)		364	2,046,167	2,257,755
Economic Development	146,220	1,006,454	63,522	477,642	82,698	528,812	145,637	1,006,454	5,968,281	6,585,442
Environment	616,140	586,360	802,608	896,411	(186,468)	(310,051)		1,574	900,007	993,074
Recreation	220,443	106,322	918,850	652,919	(698,407)	(546,597)	238	50,481	3,526,453	3,891,112
Regulatory Services	104,110	57,428	216,694	79,919	(112,584)	(22,491)			1,886,748	2,081,850
Transport	714,600	1,420,331	413,524	663,383	301,076	756,948	714,303	1,407,738	24,810,848	27,376,458
Plant & Depot	54,630	56,598	439,089	346,976	(384,459)	(290,378)	7,000		8,565,529	9,451,263
Council Administration	4,935,869	3,468,778	1,800,196	1,507,595	3,135,673	1,961,183	1,901,588	1,407,581	7,238,362	7,986,858
Other			2,391,198	1,912,188	(2,391,198)	(1,912,188)			849,532	937,380
TOTALS	7,999,099	8,052,653	8,233,749	7,828,187	(234,650)	224,465	2,974,205	4,076,464	68,610,606	75,705,408

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

Note 11 (con't) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Abattoirs, Caravan Parks, Electricity Supply, Private Works, CWMS, Water Supply – Domestic, Town Bus Service.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Fire Protection, Health Services, Pest Control, Immunisation, Other Health Services, Community Support, Children and Youth Services, Community Assistance, Community Transport, Community Amenities, Cemeteries, Public Conveniences, Telecommunications Networks.

Culture

Library Services, Cultural Services, Heritage, Other Cultural Services.

Economic Development

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

Environment

Agricultural Services, Agricultural Water, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, Other Environment.

Recreation

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

Regulatory Services

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

Transport

Aerodrome, Bridges, Footpaths and Kerbing, Roads – sealed, formed, natural formed, and unformed, Traffic Management, Other Transport.

Plant Hire & Depot

Plant & Machinery, Tools, Minor Plant, Depot Expenses, Work Health Safety, PPE.

Council Administration

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

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

Note 12 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost when earned</p> <p>Terms & conditions: Deposits are returning fixed interest negotiated on deposit.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed on an ongoing basis) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest as provided by LGA of SA. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed on an ongoing basis) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>

District Council of Mount Remarkable
Notes to and forming part of the Financial Statements

Note 12 - FINANCIAL INSTRUMENTS (con't)

Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between l% and m% (2019: n% and p%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 16.</p>

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

Note 12 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	4,437,175			4,437,175	4,437,175
Receivables	763,516			763,516	763,516
Total	5,200,691	-	-	5,200,691	5,200,691
<u>Financial Liabilities</u>					
Payables	1,109,321			1,109,321	1,109,321
Current Borrowings	79,290			79,290	72,290
Non-Current Borrowings		395,448	468,589	864,037	791,745
Total	1,188,611	395,448	468,589	2,052,648	1,973,356

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	3,616,733			3,616,733	3,616,733
Receivables	1,255,650	157,358		1,413,008	1,413,008
Total	4,872,383	157,358	-	5,029,741	5,029,741
<u>Financial Liabilities</u>					
Payables	494,346			494,346	494,346
Current Borrowings	69,181			69,181	69,181
Non-Current Borrowings		309,251	554,784	864,035	864,035
Total	563,527	309,251	554,784	1,427,562	1,427,562

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Other Variable Rates	4	864,035	4	933,216
		864,035		933,216

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

Note 12 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

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

Risk Exposures:

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

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

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

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

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

Note 13 - FINANCIAL INDICATORS

	2020	2019	2018
Operating Surplus Ratio			
<u>Operating Surplus</u>	-2.9%	2.8%	12.8%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-31%	-34.6%	-33.0%
Total Operating Income			

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

Adjustments to Ratios

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

<i>Adjusted Operating Surplus Ratio</i>	-3.8%	3.2%	12.6%
<i>Adjusted Net Financial Liabilities Ratio</i>	-18%	-22%	-47%

Asset Renewal Funding Ratio

<u>Net Outlays on Existing Assets</u>	108%	154%	157%
Net Asset Renewals - IAMP			

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

District Council of Mount Remarkable
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 Council prepared on a simplified Uniform Presentation Framework basis.

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

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

	2020		2019
	\$		\$
Income	7,999,099		8,052,652
Expenses	<u>(8,233,749)</u>		<u>(7,828,187)</u>
Operating Surplus / (Deficit)	(234,650)		224,465
 Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	(1,736,810)		(2,352,866)
Add back Depreciation, Amortisation and Impairment	2,339,770		2,159,310
Proceeds from Sale of Replaced Assets	<u>56,364</u>		<u>42,000</u>
	659,324		(151,556)
 Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(870,438)		(1,076,353)
Amounts received specifically for New and Upgraded Assets	145,637		1,101,399
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-		38,182
	<u>(724,801)</u>		<u>63,228</u>
Net Lending / (Borrowing) for Financial Year	<u>(300,127)</u>		<u>136,137</u>

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

Note 15 – SUPERANNUATION

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

Accumulation only Members

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

Salarylink (Defined Benefit Fund) Members

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

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

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

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

Contributions to Other Superannuation Schemes

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

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

Note 16 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 13 persons were paid the following total compensation:

	2020	2019
	\$	\$
Salaries, allowances & other short term benefits	795,287	526,994
TOTAL	795,287	526,994

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

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$3,918 during the year.

**Note 17 - CONTINGENCIES & ASSETS/LIABILITIES NOT RECOGNISED
IN THE BALANCE SHEET**

LEGAL EXPENSES

Council is involved in ongoing proceedings through the South Australian Employment Tribunal. All known costs have been recognised however the amount of further costs were not known at the date of this financial report.

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

To the members of the District Council of Mount Remarkable

Opinion

We have audited the accompanying financial report of the District Council of Mount Remarkable (the Council), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the District Council of Mount Remarkable.

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 Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

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 and for such internal control as Council 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, Council is responsible for assessing the Council'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 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 Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

25 / 11 / 2020

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Members of the District Council of Mount Remarkable

Independent Assurance report on the Internal Controls of the District Council of Mount Remarkable

Opinion

We have audited the compliance of the District Council of Mount Remarkable (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the District Council of Mount Remarkable has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for 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, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

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

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitations of Controls

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

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

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

25 / 11 / 2020



District Council of
Mount Remarkable

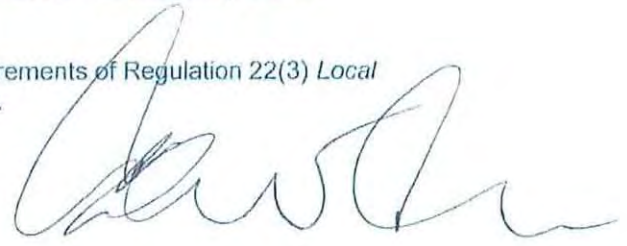
Annual Financial Statements
for the year ended 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

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


.....
Sam Johnson
CHIEF EXECUTIVE OFFICER


.....
Ian Swan
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 25/11/2020



**Annual Financial Statements
for the year ended 30 June 2020**

STATEMENT BY AUDITOR

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

Tim Muhlhausler

Galpins – Accountants, Auditors and Business Consultants

Dated this 25th day of November 2020