

# City of West Torrens

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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# General Purpose Financial Statements

for the year ended 30 June 2022

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| Contents   | Page      |
|--|-----------|
| <b>Council Certificate</b>                                   | <b>2</b>  |
| <b>Understanding Council's Financial Statements</b>          | <b>3</b>  |
| <b>Principal Financial Statements</b>                        |           |
| Statement of Comprehensive Income                            | 4         |
| Statement of Financial Position                              | 5         |
| Statement of Changes in Equity                               | 6         |
| Statement of Cash Flows                                      | 7         |
| <b>Notes to and forming part of the Financial Statements</b> | <b>8</b>  |
| <b>Independent Auditor's Report – Financial Statements</b>   | <b>51</b> |
| <b>Independent Auditor's Report – Internal Controls</b>      | <b>52</b> |
| <b>Certificates of Audit Independence</b>                    |           |
| Council Certificate of Audit Independence                    | 53        |
| Audit Certificate of Audit Independence                      | 54        |

General Purpose Financial Statements  
for the year ended 30 June 2022

Council Certificate


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Certification of Financial Statements

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

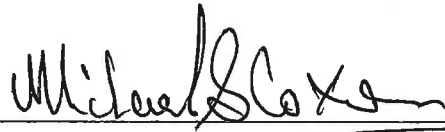
In our opinion:

- 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 2022 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.



Terry Buss PSM  
Chief Executive Officer

12 October 2022



Michael Coxon  
Mayor

12 October 2022

## General Purpose Financial Statements

for the year ended 30 June 2022

## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. **A Statement of Comprehensive Income**  
A summary of Council's financial performance for the year, listing all income & expenses.
2. **A Statement of Financial Position**  
A 30 June snapshot of Council's financial position including its assets & liabilities.
3. **A Statement of Changes in Equity**  
The overall change for the year (in dollars) of Council's "net wealth".
4. **A Statement of Cash Flows**  
Indicates where Council's cash came from and where it was spent.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

## Statement of Comprehensive Income

for the year ended 30 June 2022

| \$ '000  | Notes | 2022          | 2021           |
|--|-------|---------------|----------------|
| <b>Income</b>  |       |               |                |
| Rates  | 2a    | 62,875        | 61,244         |
| Statutory Charges  | 2b    | 2,198         | 2,110          |
| User Charges   | 2c    | 1,586         | 1,400          |
| Grants, Subsidies and Contributions  | 2g    | 5,195         | 3,819          |
| Investment Income  | 2d    | 6             | 295            |
| Reimbursements   | 2e    | 319           | 326            |
| Other income   | 2f    | 110           | 181            |
| Net Gain - Equity Accounted Council Businesses                                       | 19(a) | 2,589         | 4,952          |
| <b>Total Income</b>  |       | <b>74,878</b> | <b>74,327</b>  |
| <b>Expenses</b>  |       |               |                |
| Employee costs   | 3a    | 22,644        | 22,591         |
| Materials, Contracts and Other Expenses  | 3b    | 27,836        | 24,983         |
| Depreciation, Amortisation and Impairment  | 3c    | 16,091        | 16,053         |
| Finance Costs  | 3d    | 1,017         | 1,056          |
| <b>Total Expenses</b>  |       | <b>67,588</b> | <b>64,683</b>  |
| <b>Operating Surplus / (Deficit)</b>   |       | <b>7,290</b>  | <b>9,644</b>   |
| Physical Resources Received Free of Charge   | 2i    | 39            | —              |
| Asset Disposal & Fair Value Adjustments  | 4     | 238           | 178            |
| Amounts Received Specifically for New or Upgraded Assets                             | 2g    | 3,514         | 460            |
| <b>Net Surplus / (Deficit)</b>   |       | <b>11,081</b> | <b>10,282</b>  |
| <b>Other Comprehensive Income</b>  |       |               |                |
| <b>Amounts which will not be reclassified subsequently to operating result</b>       |       |               |                |
| Changes in Revaluation Surplus - I,PP&E  | 9a    | 27,358        | (2,813)        |
| Share of Other Comprehensive Income - Equity Accounted Council Businesses            | 19    | 200           | —              |
| <b>Total Amounts which will not be reclassified subsequently to operating result</b> |       | <b>27,558</b> | <b>(2,813)</b> |
| <b>Total Other Comprehensive Income</b>  |       | <b>27,558</b> | <b>(2,813)</b> |
| <b>Total Comprehensive Income</b>  |       | <b>38,639</b> | <b>7,469</b>   |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

as at 30 June 2022

| \$ '000  | Notes | 2022           | 2021           |
|--|-------|----------------|----------------|
| <b>ASSETS</b>                                      |       |                |                |
| <b>Current assets</b>                              |       |                |                |
| Cash & Cash Equivalent Assets                      | 5a    | 23,708         | 10,681         |
| Trade & Other Receivables                          | 5b    | 5,382          | 5,485          |
| Other Financial Assets                             | 5c    | 1,556          | 1,684          |
| Inventories  | 5d    | 28             | 18             |
| Non-Current Assets Held for Sale                   | 20    | —              | 3,600          |
| <b>Total current assets</b>                        |       | <b>30,674</b>  | <b>21,468</b>  |
| <b>Non-current assets</b>                          |       |                |                |
| Financial Assets                                   | 6a    | 250            | —              |
| Equity Accounted Investments in Council Businesses | 6b    | 17,232         | 12,693         |
| Other Non-Current Assets                           | 6c    | 9,344          | 9,374          |
| Infrastructure, Property, Plant & Equipment        | 7a(i) | 821,271        | 790,794        |
| <b>Total non-current assets</b>                    |       | <b>848,097</b> | <b>812,861</b> |
| <b>TOTAL ASSETS</b>                                |       | <b>878,771</b> | <b>834,329</b> |
| <b>LIABILITIES</b>                                 |       |                |                |
| <b>Current Liabilities</b>                         |       |                |                |
| Trade & Other Payables                             | 8a    | 6,145          | 4,685          |
| Borrowings   | 8b    | 1,878          | 1,782          |
| Provisions   | 8c    | 5,332          | 5,140          |
| Other Current Liabilities                          | 8d    | 11,861         | 6,351          |
| <b>Total Current Liabilities</b>                   |       | <b>25,216</b>  | <b>17,958</b>  |
| <b>Non-Current Liabilities</b>                     |       |                |                |
| Borrowings   | 8b    | 32,465         | 33,906         |
| Provisions   | 8c    | 252            | 266            |
| <b>Total Non-Current Liabilities</b>               |       | <b>32,717</b>  | <b>34,172</b>  |
| <b>TOTAL LIABILITIES</b>                           |       | <b>57,933</b>  | <b>52,130</b>  |
| <b>Net Assets</b>                                  |       | <b>820,838</b> | <b>782,199</b> |
| <b>EQUITY</b>                                      |       |                |                |
| Accumulated surplus                                |       | 117,447        | 121,199        |
| Asset revaluation reserves                         | 9a    | 661,650        | 637,692        |
| Other reserves                                     | 9b    | 41,741         | 23,308         |
| <b>Total Council Equity</b>                        |       | <b>820,838</b> | <b>782,199</b> |
| <b>Total Equity</b>                                |       | <b>820,838</b> | <b>782,199</b> |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

for the year ended 30 June 2022

| \$ '000  | Notes | Accumulated surplus | Asset revaluation reserve | Other reserves | Total equity   |
|--|-------|---------------------|---------------------------|----------------|----------------|
| <b>2022</b>  |       |                     |                           |                |                |
| Balance at the end of previous reporting period    |       | 121,199             | 637,692                   | 23,308         | 782,199        |
| Net Surplus / (Deficit) for Year                   |       | 11,081              | —                         | —              | 11,081         |
| <b>Other Comprehensive Income</b>                  |       |                     |                           |                |                |
| Share of OCI - Equity Accounted Council Businesses |       | —                   | —                         | 200            | 200            |
| - Gain (Loss) on Revaluation of I,PP&E             | 7a    | —                   | 27,358                    | —              | 27,358         |
| Transfer to Accumulated Surplus on Sale of I,PP&E  | 9a    | 3,600               | (3,600)                   | —              | —              |
| <b>Other comprehensive income</b>                  |       | <b>3,600</b>        | <b>23,758</b>             | <b>200</b>     | <b>27,558</b>  |
| <b>Total comprehensive income</b>                  |       | <b>14,681</b>       | <b>23,758</b>             | <b>200</b>     | <b>38,639</b>  |
| Transfers between Reserves                         |       | (18,433)            | 200                       | 18,233         | —              |
| <b>Balance at the end of period</b>                |       | <b>117,447</b>      | <b>661,650</b>            | <b>41,741</b>  | <b>820,838</b> |
| <b>2021</b>  |       |                     |                           |                |                |
| Balance at the end of previous reporting period    |       | 118,576             | 640,505                   | 15,649         | 774,730        |
| Net Surplus / (Deficit) for Year                   |       | 10,282              | —                         | —              | 10,282         |
| <b>Other Comprehensive Income</b>                  |       |                     |                           |                |                |
| Share of OCI - Equity Accounted Council Businesses |       | —                   | —                         | —              | —              |
| - Gain (Loss) on Revaluation of I,PP&E             | 7a    | —                   | (2,813)                   | —              | (2,813)        |
| Transfer to Accumulated Surplus on Sale of I,PP&E  | 9a    | —                   | —                         | —              | —              |
| <b>Other comprehensive income</b>                  |       | <b>—</b>            | <b>(2,813)</b>            | <b>—</b>       | <b>(2,813)</b> |
| <b>Total comprehensive income</b>                  |       | <b>10,282</b>       | <b>(2,813)</b>            | <b>—</b>       | <b>7,469</b>   |
| Transfers between Reserves                         |       | (7,659)             | —                         | 7,659          | —              |
| <b>Balance at the end of period</b>                |       | <b>121,199</b>      | <b>637,692</b>            | <b>23,308</b>  | <b>782,199</b> |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2022

| \$ '000   | Notes | 2022            | 2021            |
|---|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                     |       |                 |                 |
| <u>Receipts</u>   |       |                 |                 |
| Rates Receipts  |       | 62,936          | 61,655          |
| Statutory Charges   |       | 2,417           | 2,310           |
| User Charges  |       | 1,744           | 1,501           |
| Grants, Subsidies and Contributions (operating purpose)         |       | 5,704           | 3,995           |
| Investment Receipts   |       | 6               | 295             |
| Reimbursements  |       | 350             | 358             |
| Other Receipts  |       | 3,943           | 2,865           |
| <u>Payments</u>   |       |                 |                 |
| Payments to Employees   |       | (22,302)        | (22,209)        |
| Payments for Materials, Contracts & Other Expenses              |       | (25,536)        | (26,163)        |
| Finance Payments  |       | (1,017)         | (1,056)         |
| <b>Net cash provided by (or used in) Operating Activities</b>   | 11b   | <u>28,245</u>   | <u>23,551</u>   |
| <b>Cash flows from investing activities</b>                     |       |                 |                 |
| <u>Receipts</u>   |       |                 |                 |
| Amounts Received Specifically for New/Upgraded Assets           |       | 3,514           | 460             |
| Sale of Replaced Assets   |       | –               | 1,560           |
| Sale of Surplus Assets  |       | 4,472           | –               |
| Distributions Received from Equity Accounted Council Businesses |       | 2,589           | 4,952           |
| <u>Payments</u>   |       |                 |                 |
| Expenditure on Renewal/Replacement of Assets                    |       | (9,984)         | (12,432)        |
| Expenditure on New/Upgraded Assets                              |       | (9,325)         | (10,498)        |
| Net Purchase of Investment Securities                           |       | 128             | (184)           |
| Loans Made to Community Groups                                  |       | (263)           | –               |
| Capital contributed to Equity Accounted Council Businesses      |       | (4,539)         | (7,715)         |
| <b>Net cash provided (or used in) investing activities</b>      |       | <u>(13,408)</u> | <u>(23,857)</u> |
| <b>Cash flows from financing activities</b>                     |       |                 |                 |
| <u>Receipts</u>   |       |                 |                 |
| Proceeds from Borrowings  |       | –               | 14,004          |
| Proceeds from Bonds & Deposits                                  |       | 1               | –               |
| <u>Payments</u>   |       |                 |                 |
| Repayments of Borrowings  |       | (1,482)         | –               |
| Repayment of Lease Liabilities                                  |       | (329)           | (15,171)        |
| Repayment of Bonds & Deposits                                   |       | –               | (1)             |
| <b>Net Cash provided by (or used in) Financing Activities</b>   |       | <u>(1,810)</u>  | <u>(1,168)</u>  |
| <b>Net Increase (Decrease) in Cash Held</b>                     |       | <u>13,027</u>   | <u>(1,474)</u>  |
| plus: Cash & Cash Equivalents at beginning of period            |       | 10,681          | 12,155          |
| <b>Cash and cash equivalents held at end of period</b>          | 11a   | <u>23,708</u>   | <u>10,681</u>   |
| Additional Information:   |       |                 |                 |
| plus: Investments on hand – end of year                         | 5c    | 1,556           | 1,684           |
| <b>Total Cash, Cash Equivalents &amp; Investments</b>           |       | <u>25,264</u>   | <u>12,365</u>   |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Contents of the Notes accompanying the General Purpose Financial Statements

| Note  | Details  | Page |
|-------|--|------|
| 1     | Summary of Significant Accounting Policies                             | 9    |
| 2     | Income   | 16   |
| 3     | Expenses   | 19   |
| 4     | Asset Disposal & Fair Value Adjustments                                | 20   |
| 5     | Current Assets   | 21   |
| 6     | Non-Current Assets   | 22   |
| 7     | Infrastructure, Property, Plant & Equipment                            | 23   |
| 8     | Liabilities  | 27   |
| 9     | Reserves   | 28   |
| 10    | Assets Subject to Restrictions   | 29   |
| 11    | Reconciliation to Statement of Cash Flows                              | 29   |
| 12(a) | Functions  | 31   |
| 12(b) | Components of Functions  | 32   |
| 13    | Financial Instruments  | 33   |
| 14    | Capital Expenditure  | 37   |
| 15    | Financial Indicators   | 38   |
| 16    | Uniform Presentation of Finances                                       | 41   |
| 17    | Leases   | 42   |
| 18    | Superannuation   | 45   |
| 19    | Interests in Other Entities  | 46   |
| 20    | Non-Current Assets Held for Sale & Discontinued Operations             | 48   |
| 21    | Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet | 48   |
| 22    | Events after the Balance Sheet Date                                    | 48   |
| 23    | Related Party Transactions   | 48   |
|       | <b>Additional Council disclosures (unaudited)</b>                      |      |
| 24    | Mendelson Foundation   | 50   |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies

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The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (1) Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 01 November 2022

##### 1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.3 Rounding

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

##### 1.4 Estimates and assumptions

The COVID-19 pandemic has impacted the 2021/22 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include:

1. Income from Community Centres reduced due to inability to hold group events.
2. Fines and Interest payments on late payments of rates have been waived during .

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2022/23 financial year but these have been largely taken into account during the development of the budget process for 2022/23 including, but not limited to a minimal rate increase and ongoing costs of income recovery. The budget assumptions for 2022/23 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

#### (2) The Local Government Reporting Entity

City of West Torrens is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 165 Sir Donald Bradman Drive. 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.

Other entities in which Council has an interest but does not control are reported in Note 19.

#### (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.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

|         | Cash<br>Payment<br>Received | Annual<br>Allocation | Difference   |
|---------|-----------------------------|----------------------|--------------|
| 2017/18 | \$2,655,441                 | \$991,628            | +1,663,813   |
| 2018/19 | \$1,623,252                 | \$2,174,183          | - \$550,931  |
| 2019/20 | \$1,950,066                 | \$1,904,919          | +\$45,147    |
| 2020/21 | \$2,329,087                 | \$1,274,249          | +\$1,054,838 |
| 2021/22 | \$2,707,793                 | \$2,013,310          | +\$694,483   |

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

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

#### Construction Contracts

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

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

#### (4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

#### (5) Inventories

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

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.

#### (6) Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

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

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

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

|                              |          |
|------------------------------|----------|
| Office Furniture & Equipment | \$2,000  |
| Other Plant & Equipment      | \$2,000  |
| Buildings                    | \$10,000 |
| Infrastructure               | \$10,000 |

##### 6.3 Subsequent Recognition

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

##### 6.4 Depreciation of Non-Current Assets

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

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

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

##### *Plant, Furniture & Equipment*

|                                   |               |
|-----------------------------------|---------------|
| Furniture, Equipment and Fittings | 2 to 50 years |
| Plant & Equipment                 | 2 to 30 years |

##### *Building & Other Structures*

|                          |                 |
|--------------------------|-----------------|
| Buildings and Components | 10 to 100 years |
| Other Structures         | 10 to 100 years |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### Infrastructure

|   |                 |
|---|-----------------|
| Land Improvements including Park and Other Structures | 10 to 80 years  |
| Sealed Roads – Surface                                | 15 to 50 years  |
| Sealed Roads – Structure                              | 55 to 80 years  |
| Other Transport                                       | 10 to 70 years  |
| Footpaths, Kerb, Gutter and Cycle Tracks              | 10 to 80 years  |
| Stormwater  | 25 to 100 years |
| Glenelg to Adelaide Pipeline                          | 50 years        |
| Bridges   | 35 to 100 years |

#### Other Assets

|          |                 |
|----------|-----------------|
| Artworks | 80 to 100 years |
|----------|-----------------|

#### 6.5 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use). Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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

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

#### 6.6 Borrowing Costs

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

### (7) Payables

#### 7.1 Goods & Services

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

#### 7.2 Payments Received in Advance & Deposits

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

### (8) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

### (9) Employee Benefits

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

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#### 9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.1% (2021, 0.1%)

Where an Award has a payout clause on termination there has been a accrual made for peronal leave using government guaranteed securities rates. Where there is no payout clause on termination no accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

#### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### (10) Leases

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

##### 10.1 Council as a lessee

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

##### i) Right-of-Use-Assets

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

|                     |               |
|---------------------|---------------|
| Plant and equipment | 3 to 5 years  |
| Land                | 0 to 48 years |

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

##### ii) Lease Liabilities

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

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

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

#### (11) Equity Accounted Council Businesses

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

In 2020-21 Council did not recognise the Asset Revaluation Reserve movement of \$136,944 (49% of \$279,477). Movement in 2021-22 is \$63,296 (49% of \$129,175). Both of these movements have now been recognised in 2021-22 totalling \$200,240 and included in the Statements.

#### (12) GST Implications

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

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

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#### **(13) New accounting standards and UIG interpretations Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

##### **Effective for NFP annual reporting periods beginning on or after 1 January 2023**

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

##### **Effective for NFP annual reporting periods beginning on or after 1 January 2025**

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7)

#### **(14) Comparative Figures**

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

#### **(15) Disclaimer**

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



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 2. Income

| \$ '000  | 2022          | 2021          |
|--|---------------|---------------|
| <b>(a) Rates</b>                                     |               |               |
| <b>General Rates</b>                                 |               |               |
| General Rates  | 62,094        | 60,603        |
| Less: Mandatory Rebates                              | (1,024)       | (965)         |
| Less: Discretionary Rebates, Remissions & Write Offs | (51)          | (119)         |
| <b>Total General Rates</b>                           | <b>61,019</b> | <b>59,519</b> |
| <b>Other Rates (Including Service Charges)</b>       |               |               |
| Landscape Levy                                       | 1,612         | 1,583         |
| <b>Total Other Rates (Including Service Charges)</b> | <b>1,612</b>  | <b>1,583</b>  |
| <b>Other Charges</b>                                 |               |               |
| Penalties for Late Payment                           | 165           | 136           |
| Legal & Other Costs Recovered                        | 98            | 24            |
| <b>Total Other Charges</b>                           | <b>263</b>    | <b>160</b>    |
| Less: Discretionary Rebates, Remissions & Write Offs | (19)          | (18)          |
| <b>Total Rates</b>                                   | <b>62,875</b> | <b>61,244</b> |
| <b>(b) Statutory Charges</b>                         |               |               |
| Development Act Fees                                 | 945           | 863           |
| Animal Registration Fees & Fines                     | 407           | 352           |
| Parking Fines / Expiation Fees                       | 756           | 815           |
| Environmental Control Fines                          | 1             | 4             |
| Other Licences, Fees & Fines                         | 44            | 45            |
| Sundry   | 45            | 31            |
| <b>Total Statutory Charges</b>                       | <b>2,198</b>  | <b>2,110</b>  |
| <b>(c) User Charges</b>                              |               |               |
| Hall & Equipment Hire                                | 157           | 224           |
| Property Lease                                       | 1,049         | 850           |
| Subsidies Received on Behalf of Users                | 5             | 5             |
| Waste royalties                                      | 74            | 60            |
| Employee Contributions                               | 144           | 132           |
| Home Assistance                                      | 107           | 94            |
| Sundry   | 50            | 35            |
| <b>Total User Charges</b>                            | <b>1,586</b>  | <b>1,400</b>  |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 2. Income (continued)

| \$ '000                                    | 2022            | 2021              |
|--|-----------------|-------------------|
| <b>(d) Investment Income</b>               |                 |                   |
| Interest on Investments                    |                 |                   |
| - Local Government Finance Authority       | 125             | 69                |
| Market movement on investments             | (213)           | 161               |
| Dividend income including franking credits | 94              | 65                |
| <b><u>Total Investment Income</u></b>      | <b><u>6</u></b> | <b><u>295</u></b> |

### (e) Reimbursements

|                                    |                   |                   |
|------------------------------------|-------------------|-------------------|
| Private Works                      | 40                | 106               |
| Electricity & Gas                  | 103               | 107               |
| Insurance                          | 28                | 5                 |
| Rates & Taxes                      | 133               | 96                |
| Employee Costs                     | 4                 | 11                |
| Other                              | 11                | 1                 |
| <b><u>Total Reimbursements</u></b> | <b><u>319</u></b> | <b><u>326</u></b> |

### (f) Other income

|   |                   |                   |
|---|-------------------|-------------------|
| Insurance & Other Recoupments - Infrastructure, IPP&E | 10                | 7                 |
| Rebates Received                                      | –                 | 87                |
| Fuel Tax Credits                                      | 32                | 38                |
| Mendelson Scholarships                                | 20                | 20                |
| Sundry  | 48                | 29                |
| <b><u>Total Other income</u></b>                      | <b><u>110</u></b> | <b><u>181</u></b> |

### (g) Grants, Subsidies, Contributions

|   |                     |                     |
|---|---------------------|---------------------|
| Amounts Received Specifically for New or Upgraded Assets              | 3,514               | 460                 |
| <b>Total Amounts Received Specifically for New or Upgraded Assets</b> | <b><u>3,514</u></b> | <b><u>460</u></b>   |
| Other Grants, Subsidies and Contributions                             | 1,846               | 946                 |
| Untied - Financial Assistance Grant                                   | 1,753               | 1,276               |
| Roads to Recovery   | 617                 | 617                 |
| Home and Community Care Grant   | 535                 | 526                 |
| Library and Communications  | 444                 | 454                 |
| <b>Total Other Grants, Subsidies and Contributions</b>                | <b><u>5,195</u></b> | <b><u>3,819</u></b> |
| <b><u>Total Grants, Subsidies, Contributions</u></b>                  | <b><u>8,709</u></b> | <b><u>4,279</u></b> |

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 2. Income (continued)

| \$ '000                      | 2022         | 2021         |
|------------------------------|--------------|--------------|
| <b>(i) Sources of grants</b> |              |              |
| Commonwealth Government      | 4,092        | 1,143        |
| State Government             | 3,864        | 3,050        |
| Other                        | 753          | 86           |
| <b>Total</b>                 | <b>8,709</b> | <b>4,279</b> |

### (h) Conditions over Grants & Contributions

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

|   |                |                |
|---|----------------|----------------|
| <b>Unexpended at the close of the previous reporting period</b>   | <b>1,055</b>   | <b>1,269</b>   |
| <b>Less:</b>  |                |                |
| <i>Expended during the current period from revenues recognised in previous reporting periods</i>                      |                |                |
| Other Environment   | —              | (40)           |
| Parks & Gardens   | —              | —              |
| Roads Sealed  | (398)          | (656)          |
| Other Community Amenities   | (657)          | (573)          |
| <b>Subtotal</b>   | <b>(1,055)</b> | <b>(1,269)</b> |
| <b>Plus:</b>  |                |                |
| <i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i> |                |                |
| Community Support   | 6              | —              |
| Cultural Services   | 5              | —              |
| Library Services  | 12             | —              |
| Roads Sealed  | —              | 398            |
| Other Community Amenities   | —              | 657            |
| Other Environment   | 133            | —              |
| Public Order & Safety   | 20             | —              |
| Waste Management  | 85             | —              |
| <b>Subtotal</b>   | <b>261</b>     | <b>1,055</b>   |
| <b>Unexpended at the close of this reporting period</b>   | <b>261</b>     | <b>1,055</b>   |
| <b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>                        | <b>(794)</b>   | <b>(214)</b>   |

### (i) Physical Resources Received Free of Charge

|   |           |          |
|---|-----------|----------|
| Roads, Bridges & Footpaths                              | 39        | —        |
| <b>Total Physical Resources Received Free of Charge</b> | <b>39</b> | <b>—</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 3. Expenses

| \$ '000   | Notes | 2022          | 2021          |
|---|-------|---------------|---------------|
| <b>(a) Employee costs</b>   |       |               |               |
| Salaries and Wages  |       | 20,168        | 20,055        |
| Employee Leave Expense  |       | 544           | 904           |
| Superannuation - Defined Contribution Plan Contributions                    | 18    | 1,926         | 1,851         |
| Workers' Compensation Insurance   |       | 624           | 568           |
| Other Employee Related Costs  |       | 407           | 343           |
| Less: Capitalised and Distributed Costs                                     |       | (1,025)       | (1,130)       |
| <b>Total Operating Employee Costs</b>                                       |       | <b>22,644</b> | <b>22,591</b> |
| Total Number of Employees (full time equivalent at end of reporting period) |       | 209           | 216           |
| <b>(b) Materials, Contracts and Other Expenses</b>                          |       |               |               |
| <b>(i) Prescribed Expenses</b>  |       |               |               |
| Auditor's Remuneration  |       |               |               |
| - Auditing the Financial Reports  |       | 27            | 26            |
| Bad and Doubtful Debts  |       | —             | 1             |
| Elected Members' Expenses   |       | 494           | 461           |
| Other   |       | 7             | —             |
| <b>Subtotal - Prescribed Expenses</b>                                       |       | <b>528</b>    | <b>488</b>    |
| <b>(ii) Other Materials, Contracts and Expenses</b>                         |       |               |               |
| Contractors   |       | 13,396        | 11,225        |
| Energy  |       | 637           | 660           |
| Individually Significant Items  |       | 290           | 295           |
| Maintenance   |       | 404           | 416           |
| Legal Expenses  |       | 420           | 235           |
| Levies Paid to Government - NRM levy  |       | 1,595         | 1,567         |
| Levies - Other  |       | 225           | 235           |
| Parts, Accessories & Consumables  |       | 577           | 498           |
| Professional Services   |       | 1,261         | 1,401         |
| Materials   |       | 1,826         | 962           |
| Insurance   |       | 873           | 870           |
| Street lighting   |       | 717           | 894           |
| Printing, Postage & Stationery  |       | 317           | 308           |
| Advertising & Marketing   |       | 154           | 153           |
| Software, Licensing & Maintenance   |       | 1,297         | 1,141         |
| Water Rates   |       | 605           | 719           |
| Memberships & Subscriptions   |       | 315           | 274           |
| Partnership and Community Grants  |       | 340           | 379           |
| Sundry  |       | 2,059         | 2,263         |
| <b>Subtotal - Other Material, Contracts &amp; Expenses</b>                  |       | <b>27,308</b> | <b>24,495</b> |
| <b>Total Materials, Contracts and Other Expenses</b>                        |       | <b>27,836</b> | <b>24,983</b> |
| <b>(iii) Individually significant items</b>                                 |       |               |               |
| Library Resources   |       | 290           | 295           |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 3. Expenses (continued)

| \$ '000  | 2022          | 2021          |
|--|---------------|---------------|
| <b>(c) Depreciation, Amortisation and Impairment</b>   |               |               |
| <b>(i) Depreciation and Amortisation</b>               |               |               |
| Land Improvements                                      | 1,392         | 1,238         |
| Buildings & Other Structures                           | 2,920         | 2,872         |
| Infrastructure   |               |               |
| - Sealed Roads   | 5,132         | 5,003         |
| - Kerb & Guttering                                     | 1,766         | 1,766         |
| - Stormwater Drainage                                  | 1,478         | 1,485         |
| - Other Transport                                      | 59            | 58            |
| - Footways / Cycle Tracks                              | 1,157         | 1,163         |
| - Glenelg to Adelaide Pipeline                         | 48            | 48            |
| - Bridges  | 126           | 137           |
| Right-of-use Assets                                    | 436           | 404           |
| Plant & Equipment                                      | 1,015         | 1,368         |
| Furniture & Fittings                                   | 562           | 511           |
| <b>Subtotal</b>  | <b>16,091</b> | <b>16,053</b> |
| <b>Total Depreciation, Amortisation and Impairment</b> | <b>16,091</b> | <b>16,053</b> |

### (d) Finance Costs

|                            |              |              |
|----------------------------|--------------|--------------|
| Interest on Loans          | 777          | 820          |
| Interest on Leased Assets  | 240          | 236          |
| <b>Total Finance Costs</b> | <b>1,017</b> | <b>1,056</b> |

### Note 4. Asset Disposal & Fair Value Adjustments

| \$ '000   | 2022       | 2021       |
|---|------------|------------|
| <b>Infrastructure, Property, Plant &amp; Equipment</b>      |            |            |
| <b>(i) Assets Renewed or Directly Replaced</b>              |            |            |
| Proceeds from Disposal                                      | 4,472      | 1,560      |
| Less: Carrying Amount of Assets Sold                        | (4,234)    | (1,382)    |
| <b>Gain (Loss) on Disposal</b>                              | <b>238</b> | <b>178</b> |
| <b>Net Gain (Loss) on Disposal or Revaluation of Assets</b> | <b>238</b> | <b>178</b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 5. Current Assets

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

#### (a) Cash & Cash Equivalent Assets

|  |               |               |
|--|---------------|---------------|
| Cash on Hand at Bank                           | 283           | 1,855         |
| Deposits at Call                               | 23,420        | 8,779         |
| Investment - Mendelson                         | 5             | 47            |
| <b>Total Cash &amp; Cash Equivalent Assets</b> | <b>23,708</b> | <b>10,681</b> |

#### (b) Trade & Other Receivables

|  |              |              |
|--|--------------|--------------|
| Rates - General & Other                    | 1,348        | 1,406        |
| Council Rates Postponement Scheme          | 26           | 29           |
| Accrued Revenues                           | 65           | 114          |
| Debtors - General                          | 3,552        | 3,329        |
| Other Levels of Government                 | 57           | 47           |
| GST Recoupment                             | 321          | 558          |
| Prepayments                                | –            | 2            |
| Loans to Community Organisations           | 13           | –            |
| <b>Subtotal</b>                            | <b>5,382</b> | <b>5,485</b> |
| <b>Total Trade &amp; Other Receivables</b> | <b>5,382</b> | <b>5,485</b> |

#### (c) Other Financial Assets

|   |              |              |
|---|--------------|--------------|
| Shares in Listed Companies - Mendelson Foundation | 1,556        | 1,684        |
| <b>Total Other Financial Assets (Investments)</b> | <b>1,556</b> | <b>1,684</b> |

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

#### (d) Inventories

|                          |           |           |
|--------------------------|-----------|-----------|
| Stores & Materials       | 28        | 18        |
| <b>Total Inventories</b> | <b>28</b> | <b>18</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 6. Non-Current Assets

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

#### (a) Financial Assets

##### Receivables

Loans to Community Organisations

|                          |            |          |
|--------------------------|------------|----------|
|                          | 250        | —        |
| <b>Total Receivables</b> | <b>250</b> | <b>—</b> |

|                               |            |          |
|-------------------------------|------------|----------|
| <b>Total Financial Assets</b> | <b>250</b> | <b>—</b> |
|-------------------------------|------------|----------|

| \$ '000 | Notes | 2022 | 2021 |
|---------|-------|------|------|
|---------|-------|------|------|

#### (b) Equity Accounted Investments in Council Businesses

Brownhill Keswick Creek Stormwater Project 19 17,232 12,693

|   |               |               |
|---|---------------|---------------|
| <b>Total Equity Accounted Investments in Council Businesses</b> | <b>17,232</b> | <b>12,693</b> |
|---|---------------|---------------|

#### (c) Other Non-Current Assets

##### Other

Capital Works-in-Progress 9,344 9,374

Contract Assets — —

Contract Cost Assets — —

|                    |              |              |
|--------------------|--------------|--------------|
| <b>Total Other</b> | <b>9,344</b> | <b>9,374</b> |
|--------------------|--------------|--------------|

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| <b>Total Other Non-Current Assets</b> | <b>9,344</b> | <b>9,374</b> |
|---------------------------------------|--------------|--------------|

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment

#### (a(i)) Infrastructure, Property, Plant & Equipment

| \$ '000  | Fair Value Level | as at 30/06/21   |               |                          |                 | Asset movements during the reporting period |                          |                        |                                |               |                         |                |   |   | as at 30/06/22   |               |                          |                 |
|--|------------------|------------------|---------------|--------------------------|-----------------|---|--------------------------|------------------------|--------------------------------|---------------|-------------------------|----------------|---|---|------------------|---------------|--------------------------|-----------------|
|  |                  | At Fair Value    | At Cost       | Accumulated Depreciation | Carrying amount | Asset Additions New / Upgrade               | Asset Additions Renewals | WDV of Asset Disposals | Depreciation Expense (Note 3c) | WIP Transfers | Adjustments & Transfers | Donated assets | Revaluation Decrements to Equity (ARR) (Note 9) | Revaluation Increments to Equity (ARR) (Note 9) | At Fair Value    | At Cost       | Accumulated Depreciation | Carrying amount |
|  |                  |                  |               |                          |                 |   |                          |                        |                                |               |                         |                |   |   |                  |               |                          |                 |
| Capital Work in Progress - Buildings                         |                  | –                | 5,276         | –                        | 5,276           | 3,389                                       | 85                       | –                      | –                              | (1,408)       | (827)                   | –              | –   | –   | –                | 6,515         | –                        | 6,515           |
| Capital Work in Progress - infrastructure                    |                  | –                | 4,098         | –                        | 4,098           | 1,665                                       | 614                      | –                      | –                              | (2,746)       | (802)                   | –              | –   | –   | –                | 2,829         | –                        | 2,829           |
| Land - Community   | 3                | 207,240          | –             | –                        | 207,240         | –   | –                        | –                      | –                              | –             | –                       | –              | –   | –   | 207,240          | –             | –                        | 207,240         |
| Land - Other   | 2                | 48,970           | –             | –                        | 48,970          | –   | –                        | –                      | –                              | –             | –                       | –              | –   | –   | 48,970           | –             | –                        | 48,970          |
| Land Improvements  | 3                | 32,302           | –             | (6,451)                  | 25,851          | 4,026                                       | 100                      | –                      | (1,392)                        | 618           | –                       | –              | (259)   | 1,574   | 38,574           | –             | (8,056)                  | 30,518          |
| Buildings & Other Structures                                 | 2                | 135,930          | –             | (60,222)                 | 75,708          | –   | 278                      | –                      | (2,762)                        | –             | –                       | –              | (320)   | 146   | 147,716          | –             | (73,865)                 | 73,851          |
| Buildings & Other Structures Infrastructure                  | 3                | 39,587           | –             | (31,338)                 | 8,249           | –   | –                        | –                      | (158)                          | 673           | –                       | –              | –   | –   | 28,812           | –             | (20,048)                 | 8,764           |
| - Sealed Roads   |                  | 262,940          | –             | (119,638)                | 143,302         | 409   | 2,453                    | –                      | (5,132)                        | 1,720         | –                       | 18             | (687)   | 6,222   | 277,265          | –             | (128,960)                | 148,305         |
| - Kerb & Guttering   |                  | 124,064          | –             | (17,177)                 | 106,887         | 41  | 3,809                    | –                      | (1,766)                        | –             | –                       | 11             | (1,570)   | 14,425  | 142,616          | –             | (20,779)                 | 121,837         |
| - Stormwater Drainage  |                  | 139,942          | –             | (61,205)                 | 78,737          | –   | 492                      | –                      | (1,478)                        | 195           | –                       | 10             | (2,092)   | 8,542   | 155,004          | –             | (70,598)                 | 84,406          |
| - Other Transport  |                  | 3,003            | –             | (451)                    | 2,552           | 313   | –                        | –                      | (59)                           | –             | –                       | –              | –   | 162   | 3,508            | –             | (540)                    | 2,968           |
| - Footways / Cycle Tracks                                    |                  | 79,316           | –             | (16,496)                 | 62,820          | 877   | –                        | –                      | (1,157)                        | 26            | –                       | –              | (266)   | 1,254   | 81,614           | –             | (18,060)                 | 63,554          |
| - Glenelg to Adelaide Pipeline                               |                  | 2,437            | –             | (379)                    | 2,058           | –   | –                        | –                      | (48)                           | –             | –                       | –              | –   | 248   | 2,739            | –             | (481)                    | 2,258           |
| - Bridges  |                  | 13,091           | –             | (4,013)                  | 9,078           | 212   | –                        | –                      | (126)                          | 187           | –                       | –              | (898)   | 515   | 12,821           | –             | (3,853)                  | 8,968           |
| Right-of-Use Assets  |                  | 10,758           | –             | –                        | 10,758          | 82  | 384                      | –                      | (436)                          | –             | –                       | –              | –   | –   | 10,788           | –             | –                        | 10,788          |
| Plant & Equipment  |                  | –                | 11,685        | (5,308)                  | 6,377           | 64  | 1,361                    | (314)                  | (1,015)                        | (66)          | –                       | –              | –   | 367   | –                | 11,867        | (5,093)                  | 6,774           |
| Furniture & Fittings   |                  | –                | 9,510         | (7,303)                  | 2,207           | 45  | 385                      | –                      | (562)                          | –             | –                       | –              | (5)   | –   | –                | 9,894         | (7,824)                  | 2,070           |
| <b>Total Infrastructure, Property, Plant &amp; Equipment</b> |                  | <b>1,099,580</b> | <b>21,195</b> | <b>(329,981)</b>         | <b>790,794</b>  | <b>6,069</b>                                | <b>9,262</b>             | <b>(314)</b>           | <b>(16,091)</b>                | <b>3,353</b>  | <b>–</b>                | <b>39</b>      | <b>(6,097)</b>                                  | <b>33,455</b>                                   | <b>1,157,667</b> | <b>21,761</b> | <b>(358,157)</b>         | <b>821,271</b>  |
| Comparatives   |                  | 1,084,932        | 20,391        | (318,574)                | 786,749         | 5,972                                       | 11,055                   | (479)                  | (16,053)                       | 6,316         | 47                      | –              | (5,631)   | 2,818   | 1,099,580        | 21,195        | (329,981)                | 790,794         |



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

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#### (b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

##### Valuation of Assets

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

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

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

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

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

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

##### Information on Valuations

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

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

There is no known market for buildings, infrastructure and other assets. These assets 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.

##### Other Information

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

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

##### Highest and best use

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

#### Transition to AASB 13 - Fair Value Measurement

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

#### Valuation Techniques used to derive Level 2 Fair Values recognised in the Financial Statements

The following table sets out the valuation techniques used to measure fair value within Level 2, including a description of the significant inputs used.

| Description                                    | Valuation approach and inputs used  |
|--|---|
| Land - Other                                   | Direct comparison of the market evidence approach. This method seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. The valuation is based on price per square metre.  |
| Buildings & Other Structures - Market Approach | The valuation of each Building under this scenario has been undertaken utilising the Direct Comparison Method of valuation by reference to market data and the subsequent apportionment of the Land and Structural Components.  |
| Buildings & Other Structures - Income Approach | The valuation of Buildings under this scenario has been undertaken by reference to actual or imputed income and capitalised at market rates.  |
| Buildings & Other Structures - Cost Approach   | The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2021. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure.  |
| Land - Community                               | Market Approach<br>The valuation of Community Land has been undertaken utilising the Market Approach, more specifically the Direct Comparison Method of Valuation by reference to comparable market data and subsequently adjusted to reflect the level of risk associated with alienating the Land to make it available for disposal.  |
| Buildings & Other Structures                   | The calculated value is based on Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database and / or Rawlinsons Australia Construction Handbook 2021. Under this valuation scenario the all-inclusive rate per square metre has been provided to comply with the requirement for Disclosure. The unique nature of such Buildings and Structures and the lack of definitive valuation inputs requires that we inform users of this information that the valuation may vary from the generally acceptable range of +/- 10%. |
| Land Improvements                              | The valuation is Replacement Cost data sourced from the Maloney Field Services' Replacement Cost Database. Alternatively when Maloneys cannot provide a valuation an asset is valued at cost and indexed each year for CPI increases.   |
| Roads Sealed                                   | Formulated using Rawlinsons Australia Construction Handbook 2021 data and recent schedule of rates as provided by tendered works. This is subject to an independent condition audit by an industry expert every 5 years. Annual CPI increases are applied each year thereafter.   |
| Other Transport                                | Asset is valued at cost and indexed each year following for CPI increases.  |
| Footways / Cycle Tracks                        | Formulated using Rawlinsons Australia Construction Handbook 2021 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases. This is subject to an independent condition audit by industry expert every 5 years.  |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

| Description                  | Valuation approach and inputs used   |
|------------------------------|--|
| Stormwater                   | Formulated using Rawlinsons Australia Construction Handbook 2021 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases. |
| Glenelg to Adelaide Pipeline | Formulated using Rawlinsons Australia Construction Handbook 2021 data and recent schedule of rates as provided by tendered works. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases. |
| Bridges                      | This is subject to an independent condition audit by industry expert every 5 years. This is subject to annual CPI increases for each year following.   |

#### 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.

Land is valued at written down replacement cost. Independent valuations of land and land improvements were determined at 30 June 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

#### Buildings & Other Structures

Buildings and other structures are initially recognised on the cost basis. Independent valuations of buildings and other structures were determined on the 30 June 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

Buildings and other structures are then valued at written down replacement costs.

#### Infrastructure

Infrastructure assets are measured based on periodic valuations by external independent valuers less, where applicable, any accumulated depreciation and impairment losses. Any additions made during the periods between revaluations are carried at cost.

Land improvements are valued at written down replacement cost. Independent valuations of land and land improvements were determined at 30 June 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

Valuations on roads sealed assets were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Ms Lisa Gilmartin, B Acc, BMgmt (Mkg), MBA, ASA. Valuations on footways and cycle tracks were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Ms Lisa Gilmartin, B Acc, BMgmt (Mkg), MBA, ASA, for the year ended 30 June 2020.

Valuations on stormwater and Glenelg to Adelaide pipeline were determined by Mr Joseph Ielasi, Dip Civil Eng, in conjunction with Ms Lisa Gilmartin, B Acc, BMgmt (Mkg), MBA, ASA, for the year ended 30 June 2020. Independent valuations of bridges were determined on the 30 June 2020 by Paul Allen, B Eng, Certified Practising Engineer, of Kellogg Brown & Root. Bridges are then valued at written down replacement costs.

#### Plant & Equipment

Council has elected to recognise these assets on the cost basis.

#### All other Assets

Pursuant to Council's election, these assets are recognised on the cost basis.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 8. Liabilities

| \$ '000                                      | 2022<br>Current     | 2022<br>Non Current | 2021<br>Current     | 2021<br>Non Current |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>(a) Trade and Other Payables</b>          |                     |                     |                     |                     |
| Goods & Services                             | 4,017               | —                   | 3,331               | —                   |
| Payments Received in Advance                 | 224                 | —                   | 166                 | —                   |
| Accrued Expenses - Employee Entitlements     | 873                 | —                   | 709                 | —                   |
| Accrued Expenses - Other                     | 978                 | —                   | 427                 | —                   |
| Deposits, Retentions & Bonds                 | 53                  | —                   | 52                  | —                   |
| <b><u>Total Trade and Other Payables</u></b> | <b><u>6,145</u></b> | <b><u>—</u></b>     | <b><u>4,685</u></b> | <b><u>—</u></b>     |

| \$ '000                        | Notes | 2022<br>Current     | 2022<br>Non Current  | 2021<br>Current     | 2021<br>Non Current  |
|--------------------------------|-------|---------------------|----------------------|---------------------|----------------------|
| <b>(b) Borrowings</b>          |       |                     |                      |                     |                      |
| Loans                          |       | 1,531               | 21,697               | 1,482               | 23,228               |
| Lease Liabilities              | 17b   | 347                 | 10,768               | 300                 | 10,678               |
| <b><u>Total Borrowings</u></b> |       | <b><u>1,878</u></b> | <b><u>32,465</u></b> | <b><u>1,782</u></b> | <b><u>33,906</u></b> |

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

### (c) Provisions

|   |                     |                   |                     |                   |
|---|---------------------|-------------------|---------------------|-------------------|
| Employee Entitlements (including oncosts) | 5,332               | 252               | 5,140               | 266               |
| <b><u>Total Provisions</u></b>            | <b><u>5,332</u></b> | <b><u>252</u></b> | <b><u>5,140</u></b> | <b><u>266</u></b> |

### (d) Other Liabilities

|                                       |                      |                 |                     |                 |
|---------------------------------------|----------------------|-----------------|---------------------|-----------------|
| Deferred Revenue                      | 11,861               | —               | 6,351               | —               |
| <b><u>Total Other Liabilities</u></b> | <b><u>11,861</u></b> | <b><u>—</u></b> | <b><u>6,351</u></b> | <b><u>—</u></b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 9. Reserves

|  | as at 30/06/21     |                            |                |             | as at 30/06/22     |
|--|--------------------|----------------------------|----------------|-------------|--------------------|
| \$ '000  | Opening<br>Balance | Increments<br>(Decrements) | Transfers      | Impairments | Closing<br>Balance |
| <b>(a) Asset Revaluation Reserve</b>           |                    |                            |                |             |                    |
| Land - Community                               | 242,187            | —                          | —              | —           | 242,187            |
| Land - Other                                   | 17,011             | —                          | (2,035)        | —           | 14,976             |
| Land Improvements                              | 2,662              | 1,315                      | —              | —           | 3,977              |
| Buildings & Other Structures                   | 40,240             | (174)                      | (1,565)        | —           | 38,501             |
| JV's / Associates - Other Comprehensive Income | —                  | 200                        | —              | —           | 200                |
| Infrastructure                                 |                    |                            |                |             |                    |
| - Sealed Roads                                 | 221,101            | 5,535                      | —              | —           | 226,636            |
| - Kerb & Guttering                             | (11,212)           | 12,855                     | —              | —           | 1,643              |
| - Stormwater Drainage                          | 51,907             | 6,450                      | —              | —           | 58,357             |
| - Other Transport                              | 187                | 162                        | —              | —           | 349                |
| - Footways / Cycle Tracks                      | 66,141             | 988                        | —              | —           | 67,129             |
| - Glenelg to Adelaide Pipeline                 | 323                | 248                        | —              | —           | 571                |
| - Bridges                                      | 7,101              | (383)                      | —              | —           | 6,718              |
| Plant & Equipment                              | 44                 | 367                        | —              | —           | 411                |
| Furniture & Fittings                           | —                  | (5)                        | —              | —           | (5)                |
| <b>Total Asset Revaluation Reserve</b>         | <b>637,692</b>     | <b>27,558</b>              | <b>(3,600)</b> | <b>—</b>    | <b>661,650</b>     |
| Comparatives                                   | 640,505            | (2,813)                    | —              | —           | 637,692            |

|                               | as at 30/06/21     |                    |                      |                    | as at 30/06/22     |
|-------------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| \$ '000                       | Opening<br>Balance | Tfrs to<br>Reserve | Tfrs from<br>Reserve | Other<br>Movements | Closing<br>Balance |
| <b>(b) Other Reserves</b>     |                    |                    |                      |                    |                    |
| Development Reserve           | 3,290              | —                  | —                    | —                  | 3,290              |
| Committed Expenditure Reserve | 20,008             | 18,429             | —                    | —                  | 38,437             |
| Urban Tree Fund Reserve       | 11                 | 3                  | —                    | —                  | 14                 |
| <b>Total Other Reserves</b>   | <b>23,309</b>      | <b>18,432</b>      | <b>—</b>             | <b>—</b>           | <b>41,741</b>      |
| Comparatives                  | 15,649             | 7,660              | —                    | —                  | 23,309             |

### Purposes of Reserves

#### Asset Revaluation Reserves

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

#### Development Reserve

The development reserve largely holds funds from the sale of assets and is used for developmental purposes.

#### Committed Expenditure Reserve

The committed expenditure reserve holds unspent funds being carried forward to 2022/23 for capital and operational purposes.

#### Urban Tree Fund Reserve

The Urban Tree Fund reserve is maintain or plant trees which will constitute significant trees under the Development Act.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 10. Assets Subject to Restrictions

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

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

#### Cash & Financial Assets

|  |              |              |
|--|--------------|--------------|
| Mendelson Foundation   | 1,518        | 1,706        |
| <b>Total Cash &amp; Financial Assets</b>                       | <b>1,518</b> | <b>1,706</b> |
| <b>Total Assets Subject to Externally Imposed Restrictions</b> | <b>1,518</b> | <b>1,706</b> |

### Note 11. Reconciliation to Statement of Cash Flows

| \$ '000 | Notes | 2022 | 2021 |
|---------|-------|------|------|
|---------|-------|------|------|

#### (a) Reconciliation of Cash

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

|   |   |               |               |
|---|---|---------------|---------------|
| Total Cash & Equivalent Assets              | 5 | 23,708        | 10,681        |
| <b>Balances per Statement of Cash Flows</b> |   | <b>23,708</b> | <b>10,681</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 11. Reconciliation to Statement of Cash Flows (continued)

| \$ '000   | 2022          | 2021          |
|---|---------------|---------------|
| <b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b> |               |               |
| <b>Net Surplus/(Deficit)</b>  | 11,081        | 10,282        |
| <b>Non-Cash Items in Income Statements</b>  |               |               |
| Depreciation, Amortisation & Impairment   | 16,091        | 16,053        |
| Equity Movements in Equity Accounted Investments (Increase)/Decrease                | (2,389)       | (4,952)       |
| Non-Cash Asset Acquisitions   | (39)          | —             |
| Grants for capital acquisitions treated as Investing Activity                       | (3,514)       | (460)         |
| Net (Gain) Loss on Disposals  | (238)         | (178)         |
|   | <b>20,992</b> | <b>20,745</b> |
| <b>Add (Less): Changes in Net Current Assets</b>                                    |               |               |
| Net (Increase)/Decrease in Receivables  | 116           | (1,158)       |
| Net (Increase)/Decrease in Inventories  | (10)          | (4)           |
| Net Increase/(Decrease) in Trade & Other Payables                                   | 1,459         | (706)         |
| Net Increase/(Decrease) in Unpaid Employee Benefits                                 | 178           | 323           |
| Net Increase/(Decrease) in Other Liabilities  | 5,510         | 4,351         |
| <b>Net Cash provided by (or used in) operations</b>                                 | <b>28,245</b> | <b>23,551</b> |

| \$ '000  | Notes | 2022      | 2021     |
|--|-------|-----------|----------|
| <b>(c) Non-Cash Financing and Investing Activities</b>   |       |           |          |
| <b>Acquisition of assets by means of:</b>                |       |           |          |
| Physical Resources Received Free of Charge               | 2i    | 39        | —        |
| <b>Amounts recognised in Income Statement</b>            |       | <b>39</b> | <b>—</b> |
| <b>Total Non-Cash Financing and Investing Activities</b> |       | <b>39</b> | <b>—</b> |

### (d) Financing Arrangements

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

|                                      |        |        |
|--------------------------------------|--------|--------|
| Corporate Credit Cards               | 97     | 110    |
| LGFA Cash Advance Debenture Facility | 20,000 | 20,000 |

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.  
Details of these Functions/Activities are provided in Note 12(b).

|                             | INCOME |        | EXPENSES |        | OPERATING SURPLUS (DEFICIT) |          | GRANTS INCLUDED IN INCOME |           | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) |         |
|-----------------------------|--------|--------|----------|--------|-----------------------------|----------|---------------------------|-----------|---|---------|
| \$ '000                     | 2022   | 2021   | 2022     | 2021   | 2022                        | 2021     | 2022                      | 2021      | 2022                                      | 2021    |
| Functions/Activities        |        |        |          |        |                             |          |                           |           |   |         |
| Business Undertakings       | 34     | —      | —        | —      | 34                          | —        | 2                         | (810,365) | 878,771                                   | 23,962  |
| - Public Order & Safety     | —      | 1      | 287      | 286    | (287)                       | (285)    | 20                        | 1         | —   | 501     |
| Community Services          |        |        |          |        |                             |          |                           |           |   |         |
| - Health Services           | 5      | 49     | 349      | 342    | (344)                       | (293)    | 23                        | 44        | —   | 80      |
| - Community Support         | 122    | 794    | 3,369    | 3,341  | (3,247)                     | (2,547)  | 805                       | 526       | —   | 30,029  |
| - Community Amenities       | 55     | 63     | 410      | 367    | (355)                       | (304)    | —                         | —         | —   | 2,510   |
| Culture                     |        |        |          |        |                             |          |                           |           |   |         |
| - Library services          | 27     | 478    | 3,936    | 3,739  | (3,909)                     | (3,261)  | 456                       | 454       | —   | 5,983   |
| - Cultural services         | 192    | 110    | 1,810    | 1,704  | (1,618)                     | (1,594)  | 5                         | —         | —   | 13,415  |
| Economic Development        | —      | —      | 662      | 572    | (662)                       | (572)    | —                         | —         | —   | —       |
| Environment                 |        |        |          |        |                             |          |                           |           |   |         |
| - Waste Management          | 144    | 201    | 7,894    | 7,557  | (7,750)                     | (7,356)  | 85                        | —         | —   | 18,546  |
| - Other Environment         | 1,636  | 1,824  | 10,574   | 10,423 | (8,938)                     | (8,599)  | 133                       | 194       | —   | 109,280 |
| Recreation                  | 158    | 34     | 8,071    | 7,423  | (7,913)                     | (7,389)  | —                         | —         | —   | 240,021 |
| Regulatory Services         | 2,199  | 2,110  | 5,221    | 5,088  | (3,022)                     | (2,978)  | —                         | —         | —   | 24      |
| Transport & Communication   | 3      | 1,370  | 14,269   | 13,467 | (14,266)                    | (12,097) | 1,911                     | 1,306     | —   | 327,058 |
| Plant Hire & Depot/Indirect | 565    | 579    | 17       | 15     | 548                         | 564      | —                         | —         | —   | 21,344  |
| Unclassified Activities     | —      | —      | —        | —      | —                           | —        | —                         | —         | —   | 8,622   |
| Council Administration      | 63,008 | 66,714 | 10,687   | 10,359 | 52,321                      | 56,355   | 1,755                     | 1,294     | —   | 32,954  |
| Total Functions/Activities  | 68,148 | 74,327 | 67,556   | 64,683 | 592                         | 9,644    | 5,195                     | (806,546) | 878,771                                   | 834,329 |

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



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 12(b). Components of Functions

---

The activities relating to Council functions are as follows:

#### Community Services

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

#### Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

#### Economic Development

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

#### Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, 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, and Other Environment.

#### Recreation

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, and Other Recreation.

#### Regulatory Services

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

#### Transport

Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

#### Council Administration

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Instruments

---

#### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:**

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

**Terms & Conditions:**

There were no fixed term deposits held during 2021/22.

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - Rates & Associated Charges

**Accounting Policy:**

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

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 0.48% (2021: 0.48%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Fees & Other Charges

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Other Levels of Government

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Instruments (continued)

#### Receivables - Retirement Home Contributions

##### Accounting Policy:

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

##### Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

#### Liabilities - Creditors and Accruals

##### Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

##### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

##### Carrying Amount:

Approximates fair value.

#### Liabilities - Interest Bearing Borrowings

##### Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

##### Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 2.78% and 3.80% (2021: 2.78% and 3.80%).

##### Carrying Amount:

Approximates fair value.

#### Liabilities - Leases

##### Accounting Policy:

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

| \$ '000 | Due<br>< 1 year | Due > 1 year<br>& ≤ 5 years | Due<br>> 5 years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|---------|-----------------|-----------------------------|------------------|------------------------------------|--------------------|
|---------|-----------------|-----------------------------|------------------|------------------------------------|--------------------|

### Financial Assets and Liabilities

#### 2022

##### Financial Assets

|                               |               |          |          |               |               |
|-------------------------------|---------------|----------|----------|---------------|---------------|
| Cash & Cash Equivalents       | 23,708        | —        | —        | 23,708        | 23,708        |
| Receivables                   | 3,630         | —        | —        | 3,630         | 3,880         |
| Other Financial Assets        | 18,783        | —        | —        | 18,783        | 18,788        |
| <b>Total Financial Assets</b> | <b>46,121</b> | <b>—</b> | <b>—</b> | <b>46,121</b> | <b>46,376</b> |

##### Financial Liabilities

continued on next page ...

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 13. Financial Instruments (continued)

| \$ '000                            | Due<br>< 1 year | Due > 1 year<br>& ≤ 5 years | Due<br>> 5 years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|------------------------------------|-----------------|-----------------------------|------------------|------------------------------------|--------------------|
| Payables                           | 6,139           | —                           | —                | 6,139                              | 6,145              |
| Current Borrowings                 | 1,531           | —                           | —                | 1,531                              | 1,531              |
| Non-Current Borrowings             | —               | 8,443                       | 13,253           | 21,696                             | 21,697             |
| Leases                             | 347             | 1,753                       | 9,015            | 11,115                             | 11,115             |
| <b>Total Financial Liabilities</b> | <b>8,017</b>    | <b>10,196</b>               | <b>22,268</b>    | <b>40,481</b>                      | <b>40,488</b>      |

#### 2021

##### Financial Assets

|                               |               |          |          |               |               |
|-------------------------------|---------------|----------|----------|---------------|---------------|
| Cash & Cash Equivalents       | 10,681        | —        | —        | 10,681        | 10,681        |
| Receivables                   | 3,443         | —        | —        | 3,443         | 3,443         |
| Other Financial Assets        | 14,377        | —        | —        | 14,377        | 14,377        |
| <b>Total Financial Assets</b> | <b>28,501</b> | <b>—</b> | <b>—</b> | <b>28,501</b> | <b>28,501</b> |

##### Financial Liabilities

|                                    |              |              |               |               |               |
|------------------------------------|--------------|--------------|---------------|---------------|---------------|
| Payables                           | 4,684        | —            | —             | 4,684         | 4,685         |
| Current Borrowings                 | 1,782        | —            | —             | 1,782         | 1,482         |
| Non-Current Borrowings             | —            | 7,716        | 26,190        | 33,906        | 23,228        |
| Leases                             | 309          | 1,619        | 9,050         | 10,978        | 10,978        |
| <b>Total Financial Liabilities</b> | <b>6,775</b> | <b>9,335</b> | <b>35,240</b> | <b>51,350</b> | <b>40,373</b> |

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

| \$ '000              | 2022                          |                   | 2021                          |                   |
|----------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                      | Weighted Avg<br>Interest Rate | Carrying<br>Value | Weighted Avg<br>Interest Rate | Carrying<br>Value |
| Fixed Interest Rates | 2.91%                         | 34,343            | 2.93%                         | 35,688            |
|                      |                               | <b>34,343</b>     |                               | <b>35,688</b>     |

#### 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.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Instruments (continued)

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#### 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.

#### Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Set out below is the movement in the allowance for expected credit losses:

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 14. Capital Expenditure

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

#### (a) Capital Commitments

##### Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

|                   |               |               |
|-------------------|---------------|---------------|
| Land              | 290           | 290           |
| Buildings         | 4,444         | 2,463         |
| Infrastructure    | 16,499        | 11,521        |
| Plant & Equipment | 742           | 349           |
| Other             | 13,444        | 5,267         |
|                   | <b>35,419</b> | <b>19,890</b> |

##### These expenditures are payable:

|                         |               |               |
|-------------------------|---------------|---------------|
| Not later than one year | 35,419        | 19,890        |
|                         | <b>35,419</b> | <b>19,890</b> |

#### (b) Other Expenditure Commitments

##### Other non-capital expenditure commitments at the reporting date but not recognised in the financial statements as liabilities:

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Audit Services                     | –             | 26            |
| Waste Management Services          | 11,780        | 15,890        |
| Grants Funding (restricted)        | –             | –             |
| Operational Expenditure            | 509           | 914           |
| Information Technology Commitments | 1,213         | –             |
|                                    | <b>13,502</b> | <b>16,830</b> |

##### These expenditures are payable:

|  |               |               |
|--|---------------|---------------|
| Not later than one year                        | 5,716         | 4,428         |
| Later than one year and not later than 5 years | 7,786         | 12,402        |
|  | <b>13,502</b> | <b>16,830</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 15. Financial Indicators

|   | Indicator<br>2022 | Indicators<br>2021 | Indicators<br>2020 |
|---|-------------------|--------------------|--------------------|
| Financial Indicators overview   |                   |                    |                    |
| These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.  |                   |                    |                    |
|   |                   |                    |                    |
| <b>1. Operating Surplus Ratio</b>   |                   |                    |                    |
| Operating Surplus   | <b>9.7%</b>       | 13.0%              | 7.9%               |
| Total Operating Income  |                   |                    |                    |
| This ratio expresses the operating surplus as a percentage of total operating revenue.  |                   |                    |                    |
|   |                   |                    |                    |
| <b>Adjusted Operating Surplus Ratio</b>   |                   |                    |                    |
| Operating Surplus   | <b>8.3%</b>       | 12.1%              | 6.4%               |
| Total Operating Income  |                   |                    |                    |
|   |                   |                    |                    |
| <b>2. Net Financial Liabilities Ratio</b>   |                   |                    |                    |
| Net Financial Liabilities   | <b>36%</b>        | 46%                | 45%                |
| Total Operating Income  |                   |                    |                    |
| Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.  |                   |                    |                    |
|   |                   |                    |                    |
| <b>Adjusted Net Financial Liabilities Ratio</b>   |                   |                    |                    |
| Net Financial Liabilities   | <b>37%</b>        | 47%                | 46%                |
| Total Operating Income  |                   |                    |                    |
|   |                   |                    |                    |
| <b>Adjustments to Ratios</b>  |                   |                    |                    |
| 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. |                   |                    |                    |
|   |                   |                    |                    |
| <b>3. Asset Renewal Funding Ratio</b>   |                   |                    |                    |
| Asset Renewals  | <b>59%</b>        | 93%                | 111%               |
| Infrastructure & Asset Management Plan required expenditure   |                   |                    |                    |
| Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.   |                   |                    |                    |
|   |                   |                    |                    |
| <b>Net Financial Liabilities Ratio - Adjusted for Leases</b>  |                   |                    |                    |
| Net Financial Liabilities Excluding Lease Liabilities   | <b>20%</b>        | 0%                 | 0%                 |
| Total Operating Income  |                   |                    |                    |
| Net Financial Liabilities are defined as total liabilities (excluding Lease Liabilities) less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.  |                   |                    |                    |

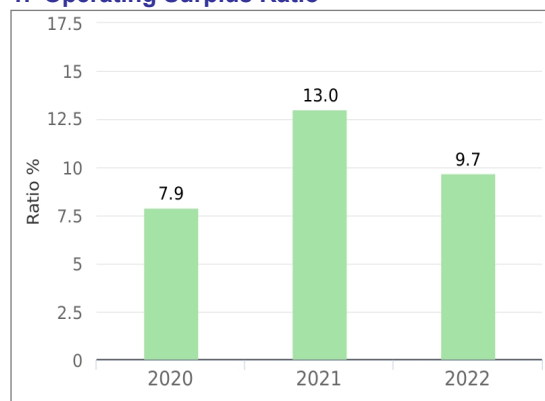
# Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

## Note 15. Financial Indicators (continued)

### Financial Indicators - Graphs

#### 1. Operating Surplus Ratio



#### Purpose of operating surplus ratio

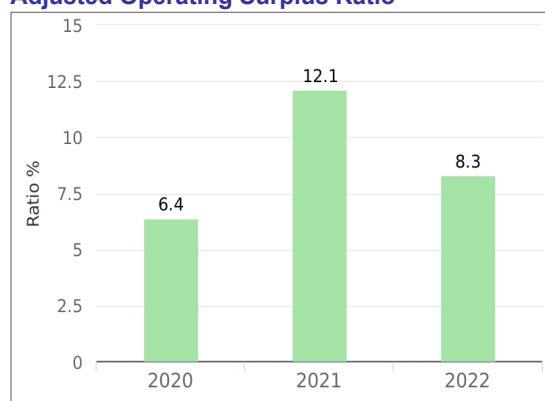
This indicator is to determine the percentage the operating revenue varies from operating expenditure

#### Commentary on 2021/22 result

2021/22 ratio 9.7%

This ratio continues to remain favourable and is within target for 21/22.

#### Adjusted Operating Surplus Ratio



#### Purpose of adjusted operating surplus ratio

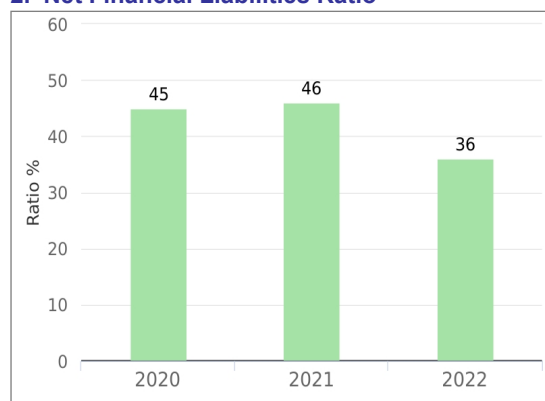
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

#### Commentary on 2021/22 result

2021/22 ratio 8.3%

The adjusted ratio reflects the real ratio, after removal of the advanced payment of the 22/23 financial assistance grant received in June 2022.

#### 2. Net Financial Liabilities Ratio



#### Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

#### Commentary on 2021/22 result

2021/22 ratio 36%

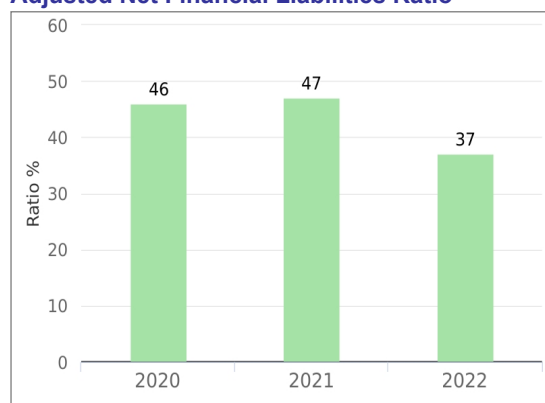
Liabilities did increase due to deferred revenue, however this has been offset by a higher cash balance at year end.



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 15. Financial Indicators (continued)

#### Adjusted Net Financial Liabilities Ratio



#### Purpose of adjusted net financial liabilities ratio

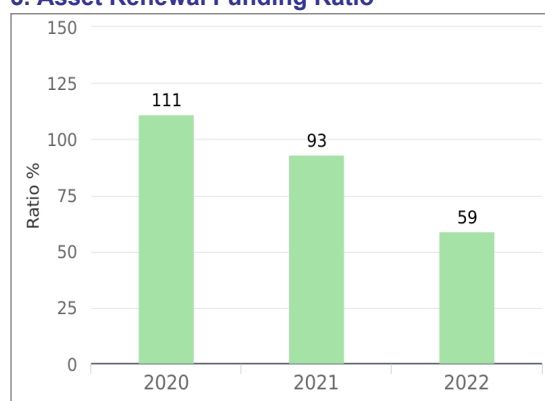
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

#### Commentary on 2021/22 result

2021/22 ratio 37%

The adjusted ratio reflects the real ratio, after removal of the advanced payment of the 22/23 financial assistance grant received in June 2022.

#### 3. Asset Renewal Funding Ratio



#### Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

#### Commentary on 2021/22 result

2021/22 ratio 59%

Council continues to meet its obligations for the renewal of assets consistent with the asset management plans on a five year rolling average.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 16. Uniform Presentation of Finances

| \$ '000  | 2022           | 2021            |
|--|----------------|-----------------|
| <p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p> |                |                 |
| Income   | 74,878         | 74,327          |
| less Expenses  | (67,588)       | (64,683)        |
| <b>Operating Surplus / (Deficit)</b>   | <b>7,290</b>   | <b>9,644</b>    |
| <b>Net Outlays on Existing Assets</b>  |                |                 |
| Capital Expenditure on Renewal and Replacement of Existing Assets  | (9,984)        | (12,432)        |
| add back Depreciation, Amortisation and Impairment   | 16,091         | 16,053          |
| add back Proceeds from Sale of Replaced Assets   | –              | 1,560           |
|  | <b>6,107</b>   | <b>5,181</b>    |
| <b>Net Outlays on New and Upgraded Assets</b>  |                |                 |
| Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)  | (9,325)        | (10,498)        |
| add back Amounts Received Specifically for New and Upgraded Assets   | 3,514          | 460             |
| add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)   | 4,472          | –               |
|  | <b>(1,339)</b> | <b>(10,038)</b> |
| <b>Net Lending / (Borrowing) for Financial Year</b>  | <b>12,058</b>  | <b>4,787</b>    |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 17. Leases

#### (i) Council as a lessee

##### Terms and conditions of leases

##### Asset Class here

Right of use assets are inclusive of our depot land and plant and equipment.

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

#### (a) Right of use assets

| \$ '000   | Ready to use | Land          | Plant & Equipment | Total         |
|---|--------------|---------------|-------------------|---------------|
| <b>2022</b>   |              |               |                   |               |
| Opening balance   | —            | 10,740        | 17                | 10,757        |
| Transfer from leased assets (former finance leases)                         | —            | —             | —                 | —             |
| Additions to right-of-use assets  | —            | —             | 83                | 83            |
| Adjustments to right-of-use assets due to re-measurement of lease liability | —            | 384           | —                 | 384           |
| Depreciation charge   | —            | (412)         | (24)              | (436)         |
| Impairment of right-of-use assets   | —            | —             | —                 | —             |
| Other   | —            | —             | —                 | —             |
| <b>Balance at 30 June</b>   | <b>—</b>     | <b>10,712</b> | <b>76</b>         | <b>10,788</b> |
| <b>2021</b>   |              |               |                   |               |
| Opening balance   | —            | 11,093        | 24                | 11,117        |
| Transfer from leased assets (former finance leases)                         | —            | —             | —                 | —             |
| Additions to right-of-use assets  | —            | —             | —                 | —             |
| Adjustments to right-of-use assets due to re-measurement of lease liability | —            | 45            | (1)               | 44            |
| Depreciation charge   | —            | (398)         | (6)               | (404)         |
| Impairment of right-of-use assets   | —            | —             | —                 | —             |
| Other   | —            | —             | —                 | —             |
| <b>Balance at 30 June</b>   | <b>—</b>     | <b>10,740</b> | <b>17</b>         | <b>10,757</b> |

#### (b) Lease liabilities

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

| \$ '000                            | 2022          | 2021          |
|------------------------------------|---------------|---------------|
| Adoption of AASB 16 at 1 July 2019 | 10,978        | 11,235        |
| Re-measurement of Liability        | 384           | 44            |
| Additions                          | 83            | —             |
| Accretion of interest              | 240           | 236           |
| Payments                           | (570)         | (537)         |
| Other                              | —             | —             |
| <b>Balance at 30 June</b>          | <b>11,115</b> | <b>10,978</b> |

**Classified as:**

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 17. Leases (continued)

| <b>\$ '000</b> | <b>2022</b> | <b>2021</b> |
|----------------|-------------|-------------|
| Current        | 347         | 300         |
| Non Current    | 10,768      | 10,678      |

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

The Group had total cash outflows for leases of \$535,130.

The following are the amounts recognised in profit or loss:

|  |            |            |
|--|------------|------------|
| Depreciation expense of Right-of-Use Assets      | 436        | 404        |
| Interest expense on lease liabilities            | 240        | 236        |
| Expense relating to short term leases            | —          | —          |
| Expense relating to leases of low-value assets   | —          | —          |
| Variable lease payments                          | —          | —          |
| Other  | —          | —          |
| <b>Total amount recognised in profit or loss</b> | <b>676</b> | <b>640</b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 17. Leases (continued)

#### (ii) Council as a lessor

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

#### Investment Property

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

| <b>\$ '000</b>   | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
| <b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b> |              |              |
| Not later than one year  | 1,095        | 718          |
| Later than one year and not later than 5 years   | 1,911        | 909          |
| Later than 5 years   | 231          | 29           |
|  | <b>3,237</b> | <b>1,656</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 18. Superannuation

---

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

#### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2019/20) of "superannuation" salary.

In addition, Council makes a separate contribution of 3.2% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2021. 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.

Superannuation contributions paid by council for 12 months to 30 June 2022 totalled \$1,925,537 (2021/22 \$1,850,597).

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 19. Interests in Other Entities

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

| \$ '000                                    | Council's Share of Net Income |              | Council's Share of Net Assets |               |
|--|-------------------------------|--------------|-------------------------------|---------------|
|  | 2022                          | 2021         | 2022                          | 2021          |
| <b>Council's Share of Net Income</b>       |                               |              |                               |               |
| Joint Ventures                             | 2,589                         | 4,952        | 17,232                        | 12,693        |
| <b>Total Council's Share of Net Income</b> | <b>2,589</b>                  | <b>4,952</b> | <b>17,232</b>                 | <b>12,693</b> |

#### ((a)i) Joint Ventures, Associates and Joint Operations

##### (a) Carrying Amounts

| \$ '000   | Principal Activity | 2022          | 2021          |
|---|--------------------|---------------|---------------|
| Brownhill and Keswick Creek Stormwater Board                    | Flood Mitigation   | 17,232        | 12,693        |
| <b>Total Carrying Amounts - Joint Ventures &amp; Associates</b> |                    | <b>17,232</b> | <b>12,693</b> |

##### **Brownhill and Keswick Creek Stormwater Board**

During the 2017/18 financial year, the Brown Hill and Keswick Creeks Stormwater Board (the 'Regional Subsidiary') was established and City of West Torrens has 49% Equitable Interest and 20% Operating Expenses Interest in this.

The Board has been established to implement or oversee the construction of stormwater infrastructure for the purpose of implementation of the Brown Hill and Keswick Creeks Stormwater Management Plan (the Plan); oversee the maintenance and repair and /or renewal of stormwater infrastructure; oversee implementation of associated or related infrastructure works; hold stormwater infrastructure; implement other non infrastructure measures; provide a forum for the discussion and consideration of the constituent council's obligations and responsibilities under the Plan; and enter into agreements with constituent councils for the purpose of managing the Plan.

Other constituent councils include City of Adelaide, City of Burnside, City of Unley, and City of Mitcham.

##### (b) Relevant Interests

|  | Interest in Operating Result |        | Ownership Share of Equity |        | Proportion of Voting Power |        |
|--|------------------------------|--------|---------------------------|--------|----------------------------|--------|
|  | 2022                         | 2021   | 2022                      | 2021   | 2022                       | 2021   |
| Brownhill and Keswick Creek Stormwater Board | 20.00%                       | 20.00% | 49.00%                    | 49.00% | 20.00%                     | 20.00% |

##### (c) Movement in Investment in Joint Venture or Associate

| \$ '000   | Brownhill and Keswick Creek Stormwater Board |               |
|---|--|---------------|
|   | 2022   | 2021          |
| Opening Balance   | 12,693                                       | 4,978         |
| Share in Operating Result                                       | 2,516  | 4,815         |
| New Capital Contributions                                       | 1,960  | 2,763         |
| Asset Revaluation Movement                                      | 63   | 137           |
| <b>Council's Equity Share in the Joint Venture or Associate</b> | <b>17,232</b>                                | <b>12,693</b> |

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 19. Interests in Other Entities (continued)

#### (d) Summarised Financial Information of the Equity Accounted Business

| \$ '000                                   | Brownhill and Keswick Creek<br>Stormwater Board |               |
|---|---|---------------|
|   | 2022  | 2021          |
| <b>Statement of Financial Position</b>    |   |               |
| Cash and Cash Equivalents                 | 9,503   | 12,135        |
| Other Current Assets                      | 441   | 271           |
| Non-Current Assets                        | 25,786  | 13,634        |
| <b>Total Assets</b>                       | <b>35,730</b>                                   | <b>26,040</b> |
| Current Trade and Other Payables          | 537   | 117           |
| Current Provisions                        | 25  | 19            |
| <b>Total Liabilities</b>                  | <b>562</b>                                      | <b>136</b>    |
| <b>Net Assets</b>                         | <b>35,168</b>                                   | <b>25,904</b> |
| <b>Statement of Comprehensive Income</b>  |   |               |
| Other Income                              | 129   | 279           |
| Contributions from Constituent Councils   | 486   | 472           |
| Interest Income                           | 60  | 26            |
| Capital Funding/Grants                    | 5,464   | 9,877         |
| <b>Total Income</b>                       | <b>6,139</b>                                    | <b>10,654</b> |
| Employee Costs                            | 317   | 286           |
| Materials, Contracts & Other Expenses     | 472   | 199           |
| Depreciation, Amortisation and Impairment | 86  | 62            |
| <b>Total Expenses</b>                     | <b>875</b>                                      | <b>547</b>    |
| <b>Operating Result</b>                   | <b>5,264</b>                                    | <b>10,107</b> |

#### (e) Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

| \$ '000  | 2022         | 2021         |
|--|--------------|--------------|
| <b>(i) Capital Expenditures Payable</b>        |              |              |
| Not later than one year                        | 1,920        | 1,960        |
| Later than one year and not later than 5 years | —            | —            |
| Later than 5 years                             | —            | —            |
|  | <b>1,920</b> | <b>1,960</b> |

#### (f). Transactions with Council

|   |       |       |
|---|-------|-------|
| Aggregate amount of transactions with Council |       |       |
| - receipts from Council                       | 1,962 | 2,763 |



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

#### Details of Assets & Disposal Groups

The City of West Torrens Council sold its former depot, 102-120 Marion Road Brooklyn Park. This was finalised in the prior year.

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

#### Carrying Amounts of Assets and Liabilities

##### Assets

|   |   |              |
|---|---|--------------|
| Infrastructure, Property, Plant and Equipment | – | 3,600        |
| <b>Total Assets</b>                           | – | <b>3,600</b> |
| <b>Net Assets</b>                             | – | <b>3,600</b> |

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

Council has no contingencies nor any assets or liabilities not recognised in the Statement of Financial Position. There are also no liability, contingent or otherwise in the opinion of the Directors and the Board of Brown Hill & Keswick Creeks Storm Water Board as at 30 June 2022 (30 June 2021 : None).

### Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 11/10/22.

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

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

### Note 23. Related Party Transactions

#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999 . In all, 20 persons were paid the following total compensation:

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

#### The compensation paid to Key Management Personnel comprises:

|                              |       |       |
|------------------------------|-------|-------|
| Short-Term Employee Benefits | 1,629 | 1,638 |
| Post-Employment Benefits     | 97    | 77    |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 23. Related Party Transactions (continued)

| \$ '000 | 2022  | 2021  |
|---------|-------|-------|
| Total   | 1,726 | 1,715 |

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 24. Mendelson Foundation

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

The Max and Bette Mendelson Foundation is a charitable fund established in 1996 under a Deed of Charitable Trust, and it is dedicated in perpetuity to the promotion and encouragement of education in conjunction with South Australian universities. Foundation funds were bequeathed to the City of West Torrens under the terms of the Trust Deed.

#### Statement of Comprehensive Income - Mendelson Foundation

##### Operating Income

|  |             |            |
|--|-------------|------------|
| Dividend Income including Franking Credits | 94          | 65         |
| Fair Value Movement on Financial Assets    | (213)       | 161        |
| Council Contribution                       | 20          | 20         |
| <b>Total Operating Income</b>              | <b>(99)</b> | <b>246</b> |

##### Operating Expenses

|                                 |           |           |
|---------------------------------|-----------|-----------|
| Scholarships                    | 48        | 60        |
| Fund Management                 | 22        | 19        |
| Member Emoluments               | 19        | 18        |
| <b>Total Operating Expenses</b> | <b>89</b> | <b>97</b> |

##### Operating Surplus / (Deficit)

##### Net Surplus / (Deficit)

#### Statement of Financial Position - Mendelson Foundation

##### Assets

|                            |              |              |
|----------------------------|--------------|--------------|
| Cash & Cash Equivalents    | 5            | 47           |
| Trade & Other Receivables  | 57           | 47           |
| Units in Managed Funds     | 427          | 335          |
| Shares in Listed Companies | 1,129        | 1,348        |
| <b>Total Assets</b>        | <b>1,618</b> | <b>1,777</b> |

##### Liabilities

|                          |            |           |
|--------------------------|------------|-----------|
| Current Liabilities      | 100        | 71        |
| Non Current Liabilities  | —          | —         |
| <b>Total Liabilities</b> | <b>100</b> | <b>71</b> |

##### Net Assets

|  |              |              |
|--|--------------|--------------|
|  | <b>1,518</b> | <b>1,706</b> |
|--|--------------|--------------|

## INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF WEST TORRENS

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of City of West Torrens and its subsidiaries (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of City of West Torrens, presents fairly, in all material respects, the Council's financial position as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *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 *Local Government Act 1999* and 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 other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the general purpose financial report of the Max and Bette Mendelson Foundation and the Annual Report of The Brown Hill and Keswick Creeks Stormwater Board.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of West Torrens, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are 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 the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 20 October 2022

## **INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF WEST TORRENS**

### **Opinion**

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of West Torrens ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2021 to 30 June 2022 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2021 to 30 June 2022.

### **Basis for opinion**

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

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

### **The Council's responsibilities for the internal controls**

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

### **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.



### **Assurance practitioner's responsibilities**

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

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

### **Limitations of controls**

Because of the inherent limitations of an assurance engagement, together with 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 and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

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

A stylized, handwritten-style 'BDO' logo in blue ink.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 20 October 2022

General Purpose Financial Statements  
for the year ended 30 June 2022

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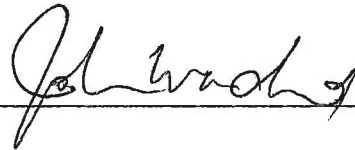
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of West Torrens for the year ended 30 June 2022, the Council's Auditor, BDO Audit (SA) Pty Ltd. 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*.



Terry Buss PSM  
Chief Executive Officer



John Woodward  
Presiding Member, Audit Committee

Date: 12 October 2022





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GPO Box 2018 Adelaide SA 5001  
Australia

## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of West Torrens for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, 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*.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 20 October 2022