



City of Playford

General Purpose Financial Statements

For the year ended 30 June 2023

General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Council certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	47
Independent Auditor's Report – Internal Controls	49
Certificates of Audit Independence	
Council Certificate of Audit Independence	51
Audit Certificate of Audit Independence	52

City of Playford

General Purpose Financial Statements

for the year ended 30 June 2023

Certification of Financial Statements

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

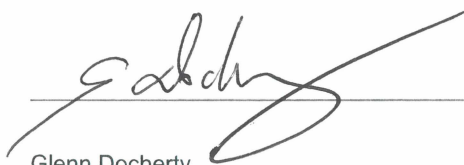
In our opinion:

- 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 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Sam Green
Chief Executive Officer

24 October 2023



Glenn Docherty
Mayor

24 October 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income			
Rates	2a	91,750	86,346
Statutory charges	2b	3,169	2,852
User charges	2c	3,881	3,929
Grants, subsidies and contributions - capital	2g	8,675	8,140
Grants, subsidies and contributions - operating	2g	24,012	21,010
Investment income	2d	56	10
Reimbursements	2e	1,094	905
Other income	2f	710	205
Net gain - equity accounted council businesses	19(a)i	—	842
Total income		133,347	124,239
Expenses			
Employee costs	3a	42,828	41,719
Materials, contracts and other expenses	3b	41,243	37,507
Depreciation, amortisation and impairment	3c	28,029	25,537
Finance costs	3d	3,895	3,847
Net loss - equity accounted council businesses	19(a)i	303	77
Total expenses		116,298	108,687
Operating surplus / (deficit)		17,049	15,552
Physical resources received free of charge	2h	21,571	48,511
Asset disposal and fair value adjustments	4	1,612	(4,769)
Amounts received specifically for new or upgraded assets	2g	5,220	2,516
Net surplus / (deficit)		45,452	61,810
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	88,266	215,794
Share of other comprehensive income - equity accounted council businesses	19	125	—
Impairment (expense) / recoupments offset to asset revaluation reserve	9a	524	(689)
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)i	(403)	29
Total amounts which will not be reclassified subsequently to operating result		88,512	215,134
Total other comprehensive income		88,512	215,134
Total comprehensive income		133,964	276,944

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

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	15,403	1,818
Trade and other receivables	5b	13,924	6,403
Other financial assets	5c	24	23
Inventories	5d	254	192
Other current assets	5e	897	757
Non-current assets held for sale	20	362	5,156
Total current assets		30,864	14,349
Non-current assets			
Financial Assets	6a	248	273
Equity accounted investments in council businesses	6b	10,178	10,759
Other non-current assets	6c	31,754	12,726
Infrastructure, property, plant and equipment	7	1,620,697	1,527,134
Total non-current assets		1,662,877	1,550,892
TOTAL ASSETS		1,693,741	1,565,241
LIABILITIES			
Current liabilities			
Trade and other payables	8a	20,581	20,575
Borrowings	8b	6,531	6,314
Provisions	8c	6,268	6,429
Total current liabilities		33,380	33,318
Non-current liabilities			
Borrowings	8b	94,722	100,269
Provisions	8c	1,290	1,269
Total non-current liabilities		96,012	101,538
TOTAL LIABILITIES		129,392	134,856
Net assets		1,564,349	1,430,385
EQUITY			
Accumulated surplus		447,720	415,270
Asset revaluation reserves	9a	1,100,688	1,001,855
Other reserves	9b	15,941	13,260
Total council equity		1,564,349	1,430,385
Total equity		1,564,349	1,430,385

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 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		415,270	1,001,855	13,260	1,430,385
Net surplus / (deficit) for year		45,452	—	—	45,452
Other comprehensive income					
Share of OCI - equity accounted council businesses		—	125	—	125
- Gain (Loss) on Revaluation of I,PP&E	7a	—	88,266	—	88,266
IPP&E impairment (expense) / recoupments offset to ARR	7a	—	524	—	524
Transfer to accumulated surplus on sale of I,PP&E	9a	(9,918)	9,918	—	—
Other equity adjustments - equity accounted council businesses	19(a)i	(403)	—	—	(403)
Other comprehensive income		(10,321)	98,833	—	88,512
Total comprehensive income		35,131	98,833	—	133,964
Transfers between reserves		(2,681)	—	2,681	—
Balance at the end of period		447,720	1,100,688	15,941	1,564,349
2022					
Balance at the end of previous reporting period		496,160	645,797	11,468	1,153,425
Adjustments (correction of prior period errors)		16	—	—	16
Net surplus / (deficit) for year		61,810	—	—	61,810
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	215,794	—	215,794
IPP&E impairment (expense) / recoupments offset to ARR	7a	—	(689)	—	(689)
Transfer to accumulated surplus on sale of I,PP&E	9a	(67,458)	67,458	—	—
Other equity adjustments - equity accounted council businesses	19(a)i	29	—	—	29
Other comprehensive income		(67,429)	282,563	—	215,134
Total comprehensive income		(5,619)	282,563	—	276,944
Transfers between reserves		(75,287)	73,495	1,792	—
Balance at the end of period		415,270	1,001,855	13,260	1,430,385

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 2023

	Notes	2023 \$ '000	2022 \$ '000
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		90,845	86,551
Statutory charges		3,169	2,852
User charges		4,184	4,242
Grants, subsidies and contributions		23,816	20,721
Investment receipts		56	10
Reimbursements		1,160	980
Other receipts		1,098	6,464
<u>Payments</u>			
Payments to employees		(42,977)	(41,885)
Payments for materials, contracts and other expenses		(48,366)	(42,989)
Finance payments		(3,895)	(3,847)
Net cash provided by (or used in) operating activities	11b	<u>29,090</u>	<u>33,099</u>
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		5,220	2,516
Grants utilised for capital purposes		8,429	8,507
Sale of replaced assets		1,610	1,361
Sale of surplus assets		11,606	4,334
Repayments of loans by community groups		24	18
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(12,098)	(15,110)
Expenditure on new/upgraded assets		(24,950)	(13,839)
Net cash provided (or used in) investing activities		<u>(10,159)</u>	<u>(12,213)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from loans		75,950	138,615
Proceeds from Bonds, Deposits & Retentions		21	—
<u>Payments</u>			
Repayments of loans		(81,164)	(157,671)
Repayment of Finance Lease Liabilities		(153)	(134)
Net cash provided by (or used in) financing activities		<u>(5,346)</u>	<u>(19,190)</u>
Net increase (decrease) in cash held		13,585	1,696
plus: cash & cash equivalents at beginning of period		1,818	122
Cash and cash equivalents held at end of period	11a	<u>15,403</u>	<u>1,818</u>

Additional information:

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 2023

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	18
4	Asset disposal and fair value adjustments	20
5	Current assets	20
6	Non-current assets	21
7	Infrastructure, property, plant & equipment and investment property	22
8	Liabilities	26
9	Reserves	27
10	Assets subject to restrictions	27
11	Reconciliation to Statement of Cash Flows	28
12(a)	Functions	29
12(b)	Components of functions	30
13	Financial instruments	32
14	Capital expenditure and investment property commitments	36
15	Financial indicators	37
16	Uniform presentation of finances	38
17	Leases	39
18	Superannuation	41
19	Interests in other entities	42
20	Non-current assets held for sale and discontinued operations	43
21	Contingencies and assets/liabilities not recognised in the balance sheet	44
22	Events after the balance sheet date	44
23	Related party transactions	45
	Additional Council disclosures (unaudited)	
24	Council information and contact details	46

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical cost convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

(2) The local government reporting entity

City of Playford is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 12 Bishopstone Road, Davoren Park. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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.

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:

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received \$ '000	Annual Allocation \$ '000	Difference \$ '000
2020/21	\$11,396	\$11,332	\$64
2021/22	\$16,583	\$12,371	\$4,212
2022/23	\$19,257	\$14,127	\$5,130

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.

(4) Cash, cash equivalents and other financial instruments

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

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

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

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

(5) Inventories

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

5.1 Other Real Estate Held for Resale

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

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

5.2 Non-current assets or disposal groups classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(6) Infrastructure, property, plant and 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 include in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

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

6.5 Impairment

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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.

(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 recorded initially at fair value, being the cost of the borrowings, net of transaction costs. The measurement basis subsequent to initial recognition is at amortised cost. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 6.22% (2022, 4.03%)

Weighted avg. settlement period 1.84 years (2022, 1.86 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the nominated fund selected by employees under the "Choice of Fund" legislation.

No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Leases

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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:

Building, plant, equipment and other	2 to 5 years
--------------------------------------	--------------

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - 6.5 Impairment.

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 certain services and facilities.

Council's equity in the Northern Adelaide Waste Management Authority (NAWMA) and Gawler River Floodplain Management Authority (GRFMA) are accounted for in accordance with AASB 128 and set out in detail in Note 19.

(12) GST implications

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

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

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

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 2023

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current* (amended by *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as*

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

Current or Non-Current - Deferral of Effective Date, AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)

- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.* (This Standard makes amendments to AASB 1053 *Application of Tiers of Australian Accounting Standards*, June 2010 and AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities*, March 2020)
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* (This standard amends a number of Standards as follows: AASB 7 *Financial Instruments: Disclosures* – to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements, AASB 101 *Presentation of Financial Statements* - to require entities to disclose their material accounting policy information rather than their significant accounting policies, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* - to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates, AASB 134 *Interim Financial Reporting* - to identify material accounting policy information as a component of a complete set of financial statements, AASB Practice Statement 2: *Making Materiality Judgements* - to provide guidance on how to apply the concept of materiality to accounting policy disclosures)
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.* (This standard amends a number of Standards as follows: AASB 7 *Financial Instruments: Disclosures*, August 2015, AASB 116 *Property, Plant and Equipment*, August 2015, AASB 124 *Related Party Disclosures*, July 2015, AASB 128 *Investments in Associates and Joint Ventures*, August 2015, AASB 134 *Interim Financial Reporting*, August 2015, AASB 1054 *Australian Additional Disclosures*, May 2011, AASB Practice Statement 2: *Making Materiality Judgements*, December 2017. This Standard repeals Australian Accounting Standards that have been superseded by other Standards but not formally repealed. It also repeals Standards that amend other Standards as their principal purpose but which have not been formally repealed, provided their Parliamentary disallowance period and legal commencement date have passed)
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments.* (This Standard amends: AASB 1 *First-time Adoption of Australian Accounting Standards*, July 2015, AASB 3 *Business Combinations*, August 2015, AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, August 2015, AASB 7 *Financial Instruments: Disclosures*, August 2015, AASB 9 *Financial Instruments*, December 2014, AASB 15 *Revenue from Contracts with Customers*, December 2014, AASB 17 *Insurance Contracts*, July 2017, AASB 119 *Employee Benefits*, August 2015, AASB 132 *Financial Instruments: Presentation*, August 2015, AASB 136 *Impairment of Assets*, August 2015, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, August 2015, AASB 138 *Intangible Assets*, August 2015, AASB 1057 *Application of Australian Accounting Standards*, July 2015, AASB 1058 *Income of Not-for Profit Entities*, December 2016; to permit public sector entities to continue applying AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* to annual periods beginning on or after 1 January 2023 but before 1 July 2026. This Standard also amends AASB 17 to repeal AASB 1038 *Life Insurance Contracts*, July 2004 and supersede *Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations* for annual periods beginning on or after January 2023)
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information.* (This Standard makes amendments to AASB 17 *Insurance Contracts*, July 2017. These amendments arise from the issuance of International Financial Reporting Standard Initial Application of IFRS 9 – Comparative Information (Amendment to IFRS 17) by the International Accounting Standards Board (IASB) in December 2021)

Effective for NFP annual reporting periods beginning on or after 1 January 2024

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (This Standard makes amendments to AASB 13 *Fair Value Measurement*, August 2015 for application by not-for profit public sector)

Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector

- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.* (This Standard amends AASB 17 *Insurance Contracts*, July 2017 and AASB 1050 *Administered Items*, December 2007 to include modifications related to the application of AASB 17 by public sector entities. This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* since AASB 4 *Insurance Contracts*, August 2015 and AASB 1023 *General Insurance Contracts*, July 2004 do not apply to public sector entities

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

for periods beginning on or after 1 July 2026: AASB 1 *First-time Adoption of Australian Accounting Standards*, July 2015, AASB 3 *Business Combinations*, August 2015, AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, August 2015, AASB 7 *Financial Instruments: Disclosures*, August 2015, AASB 9 *Financial Instruments*, December 2014, AASB 15 *Revenue from Contracts with Customers*, December 2014, AASB 119 *Employee Benefits*, August 2015, AASB 132 *Financial Instruments: Presentation*, August 2015, AASB 136 *Impairment of Assets*, August 2015, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, August 2015, AASB 138 *Intangible Assets*, August 2015, AASB 1057 *Application of Australian Accounting Standards*, July 2015, AASB 1058 *Income of Not-for-Profit Entities*, December 2016)

(14) COVID-19 Pandemic

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 the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include;

- Reduced revenue from civic events and venue hire
- Business support in the form of temporary suspension of;
 - Fines
 - Penalties
 - Interest
 - Rent (including sportsfields)
 - Licence fees
 - Debt recovery actions
- Additional costs for:
 - Cleaning
 - Health and safety initiatives
 - Hibernation costs for Council venues

(15) 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.

(16) 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 2023

Note 2. Income

	2023 \$ '000	2022 \$ '000
(a) Rates		
General rates		
General rates	95,426	89,922
Less: mandatory rebates	(4,554)	(4,296)
Less: discretionary rebates, remissions and write-offs	(1,022)	(1,050)
Total general rates	89,850	84,576
Other rates (including service charges)		
Regional Landscape Levy (Formerly Natural Resource Management Levy)	1,186	1,151
Total other rates (including service charges)	1,186	1,151
Other charges		
Penalties for late payment	409	343
Legal and other costs recovered	305	276
Total other charges	714	619
Total rates	91,750	86,346
(b) Statutory charges		
Development Act fees	1,660	1,336
Animal registration fees and fines	689	712
Parking fines / expiation fees	374	407
Environmental control fines	190	111
Other licences, fees and fines	256	286
Total statutory charges	3,169	2,852
(c) User charges		
Commercial activity revenue	212	200
Hall and equipment hire	2,275	2,412
Sundry	166	160
Commercial Activity - Food Cooperative	389	269
Commercial Activity - Water	254	368
Home and Aged Care	485	432
Immunisation	55	49
Library	45	39
Total user charges	3,881	3,929

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

	2023 \$ '000	2022 \$ '000
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	7	2
- Banks and other	42	—
- Loans to community groups	7	8
Total investment income	56	10

(e) Reimbursements

Other	1,094	905
Total reimbursements	1,094	905

(f) Other income

Insurance and other recoupments - infrastructure, property, plant and equipment	94	46
Sundry	616	159
Total other income	710	205

(g) Grants, subsidies and contributions

Amounts received specifically for new or upgraded assets	5,220	2,516
Total	5,220	2,516

Other grants, subsidies and contributions - Capital

Bridges Renewal Program Grant	168	—
Developer Contributions	5,001	2,847
Local Roads and Community Infrastructure Program Grant	1,256	3,322
Roads to Recovery	1,313	1,313
Special Local Road Program Grant	204	—
Subsidies	52	—
Supplementary Local Road Grant	681	658
Total Other grants, subsidies and contributions - Capital	8,675	8,140

Other grants, subsidies and contributions - Operating

Brought Forward Financial Assistance Grant	15,345	10,216
Developer Contributions	267	367
Financial Assistance Grant (remaining allocation)	3,912	6,466
Home and Community Care Grant	2,114	2,065
Sundry	2,374	1,896
Total other grants, subsidies and contributions - Operating	24,012	21,010

Total grants, subsidies and contributions	37,907	31,666
--	---------------	---------------

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

(i) Sources of grants

Commonwealth Government	5,521	7,536
-------------------------	-------	-------

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

	2023 \$ '000	2022 \$ '000
State Government	26,416	20,307
Other	5,970	3,823
Total	37,907	31,666

(ii) Individually significant items

Brought Forward Financial Assistance Grant (FAG) Recognised as Income	15,345	10,216
Developers Contribution	5,268	3,214
Local Roads and Community Infrastructure Program Grants	1,255	3,322
Supplementary Local Road Funding Recognised as Income	681	658

(h) Physical resources received free of charge

Land and improvements	1,106	—
Infrastructure	20,265	48,280
Plant & Equipment	—	231
Parks	200	—
Total physical resources received free of charge	21,571	48,511

Note 3. Expenses

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

(a) Employee costs

Salaries and wages	34,932	34,497
Employee leave expense	2,291	2,115
Superannuation	3,782	3,482
Workers' compensation insurance	1,566	1,488
Other employee related costs	1,225	1,249
Less: capitalised and distributed costs	(968)	(1,112)
Total operating employee costs	42,828	41,719

Total number of employees (full time equivalent at end of reporting period)	409	400
---	-----	-----

(b) Materials, contracts and other expenses

(i) Prescribed expenses

Auditor's remuneration		
- Auditing the financial reports	34	32
Bad and doubtful debts	6	3
Elected members' expenses	458	440
Election expenses	509	—
Lease expense - low value assets / short term leases	8	20
Subtotal - prescribed expenses	1,015	495

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 3. Expenses (continued)

	2023 \$ '000	2022 \$ '000
(ii) Other materials, contracts and expenses		
Advertising	116	214
Contractors	11,672	10,694
Contributions	348	439
Energy	3,379	2,720
Insurance Premiums	1,176	1,083
Legal expenses	974	559
Levies - other	211	224
Levies Paid to Government - Regional Landscape Levy	1,186	1,151
Maintenance	3,503	3,001
Parts, accessories and consumables	3,406	3,055
Professional services	1,193	1,161
Recruitment	132	84
Sundry	1,250	1,222
Waste Collection	10,802	10,218
Water	880	1,187
Subtotal - Other material, contracts and expenses	40,228	37,012
<u>Total materials, contracts and other expenses</u>	<u>41,243</u>	<u>37,507</u>

(c) Depreciation, amortisation and impairment

Buildings and other structures	3,431	3,163
Infrastructure	20,464	18,731
Parks & Sport Fields	1,226	1,256
Right-of-use assets	155	134
Plant and equipment	2,753	2,253
<u>Total depreciation, amortisation and impairment</u>	<u>28,029</u>	<u>25,537</u>

(d) Finance costs

Interest on loans	3,677	3,652
Interest on leases	5	5
Bank Charges	247	239
Less: capitalised and distributed costs	(34)	(49)
<u>Total finance costs</u>	<u>3,895</u>	<u>3,847</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 4. Asset disposal and fair value adjustments

	2023 \$ '000	2022 \$ '000
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	1,610	1,361
Less: carrying amount of assets sold	(3,608)	(6,130)
Gain (loss) on disposal	(1,998)	(4,769)
(ii) Assets surplus to requirements		
Proceeds from disposal	11,606	4,334
Less: carrying amount of assets sold	(7,996)	(4,334)
Gain (loss) on disposal	3,610	—
Net gain (loss) on disposal or revaluation of assets	1,612	(4,769)

Note 5. Current assets

	2023 \$ '000	2022 \$ '000
(a) Cash and cash equivalent assets		
Cash on hand and at bank	2,258	1,818
Deposits at call	13,145	—
Total cash and cash equivalent assets	15,403	1,818

(b) Trade and other receivables

Rates - general and other	4,295	3,395
Council rates postponement scheme	20	15
Accrued revenues	806	1,466
Debtors - general	7,984	1,145
GST recoupment	641	196
Sundry	136	141
Debtors - Other	54	53
Subtotal	13,936	6,411
Less: Loss Allowance	(12)	(8)
Total trade and other receivables	13,924	6,403

(c) Other financial assets

Loans to Community Organisations	24	23
Total Other Financial Assets	24	23

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 5. Current assets (continued)

	2023 \$ '000	2022 \$ '000
(d) Inventories		
Stores and materials	254	192
<u>Total inventories</u>	<u>254</u>	<u>192</u>
 (e) Other current assets		
Prepayments	897	757
<u>Total other current assets</u>	<u>897</u>	<u>757</u>

Note 6. Non-current assets

	2023 \$ '000	2022 \$ '000
(a) Financial Assets		
Receivables		
Loans to community organisations	248	273
<u>Total financial assets</u>	<u>248</u>	<u>273</u>

	Notes	2023 \$ '000	2022 \$ '000
(b) Equity accounted investments in council businesses			
NAWMA	19	3,691	4,080
GRFMA		6,487	6,679
<u>Total equity accounted investments in Council businesses</u>		<u>10,178</u>	<u>10,759</u>

(c) Other non-current assets

Other			
Capital work in progress		31,754	12,726
<u>Total other non-current assets</u>		<u>31,754</u>	<u>12,726</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

	Fair Value Level	as at 30/06/22				Asset movements during the reporting period										as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	Impairment Reversal (via Equity) (Note 9)	Adjustments & Transfers	Tfrs from/to "Held for Sale" category	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Land	2	506,213	—	—	506,213	1,326	—	(7,996)	—	—	—	62	4,794	—	35,344	539,743	—	—	539,743
Buildings and other structures	3	119,565	—	(41,954)	77,611	1,551	642	(95)	(3,431)	—	—	(705)	—	—	6,463	130,791	—	(48,755)	82,036
Infrastructure	3	1,352,492	—	(425,808)	926,684	23,794	9,909	(2,044)	(20,464)	—	524	(34,502)	—	—	46,459	1,391,738	—	(441,378)	950,360
Parks & Sport Fields	3	—	—	—	—	201	—	(46)	(1,226)	—	—	35,145	—	—	—	56,140	—	(22,066)	34,074
Right-of-use assets		—	886	(605)	281	37	—	—	(155)	—	—	—	—	—	—	—	922	(759)	163
Plant and equipment		—	27,051	(10,706)	16,345	280	1,874	(1,423)	(2,753)	—	—	(2)	—	—	—	—	23,672	(9,351)	14,321
Total infrastructure, property, plant and equipment		1,978,270	27,937	(479,073)	1,527,134	27,189	12,425	(11,604)	(28,029)	—	524	(2)	4,794	—	88,266	2,118,412	24,594	(522,309)	1,620,697
Comparatives		1,579,389	28,387	(336,650)	1,271,126	61,214	14,362	(6,130)	(25,537)	(689)	—	(413)	(2,593)	(46,404)	262,198	1,978,270	27,937	(479,073)	1,527,134

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Fair Value Measurement

Council measures certain assets and liabilities at fair value where required by Australian Accounting Standards. AASB 13 Fair Value Measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

This section explains the judgements and estimates made in determining the fair values of the assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Council has classified its property, plant and equipment into the three levels prescribed under the accounting standards. An explanation of each level 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).

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Council re-assesses level categorisation and determines whether transfers have occurred between levels in the hierarchy, based on the level of inputs that is significant to the fair value measurement as a whole for the asset class.

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

Valuation Techniques

Council undertakes a formal valuation of land, buildings and infrastructure assets at least every five years. The valuations are performed by independent experts engaged by Council with inhouse desktop valuation undertaken all other years.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Council considers information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- income projections based on a property's estimated net market income
- depreciated replacement cost, being the cost to construct the asset at current prices less the depreciation that would have accumulated since original construction.

Highest and best use

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

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

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

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.

Capitalisation Thresholds

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

	\$
Office Furniture & Equipment	2,000
Plant & Equipment	2,000
Buildings and Other Structures	5,000
Infrastructure - Stormwater	5,000
Infrastructure - Streetscape	5,000
Parks & Sport Fields	5,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below:

Building & Other Structures	10 to 100 years
Infrastructure - Stormwater	10 to 120 years
Infrastructure - Streetscape	10 to 100 years
Parks & Sport Fields	10 to 100 years
Plant and Equipment	2 to 15 years
Office Furniture & Equipment	2 to 15 years
Right-of-Use Assets	2 to 5 years
Land	infinite
Infrastructure - Formation	infinite

Land & Land Improvements

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Infrastructure

Streetscape

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Stormwater

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Parks and Sport Fields

- Basis of valuation: Written down current replacement cost & at cost.
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Liquid Pacific in 01 July 2021.

Structures, Bridges, Car Parks

- Basis of valuation: Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Plant & Equipment

- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

Furniture & Fittings

- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 8. Liabilities

	2023 Current \$ '000	2023 Non Current \$ '000	2022 Current \$ '000	2022 Non Current \$ '000
--	----------------------------	--------------------------------	----------------------------	--------------------------------

(a) Trade and other payables

Goods and services	8,546	—	8,015	—
- Grants, subsidies, contributions - operating	332	—	663	—
- Grants and contributions - capital	8,315	—	8,561	—
Accrued expenses - other	955	—	763	—
Bonds, deposits & retentions	21	—	—	—
Other	2,412	—	2,573	—
Total trade and other payables	20,581	—	20,575	—

	2023 Current \$ '000	2023 Non Current \$ '000	2022 Current \$ '000	2022 Non Current \$ '000
--	----------------------------	--------------------------------	----------------------------	--------------------------------

Notes

(b) Borrowings

Loans	13	6,440	94,646	6,174	100,126
Lease liabilities	17b	91	76	140	143
Total Borrowings		6,531	94,722	6,314	100,269

(c) Provisions

Employee Benefits (Annual Leave)	2,750	—	2,965	—
Employee Benefits (Long Service Leave)	3,518	1,290	3,464	1,269
Total provisions	6,268	1,290	6,429	1,269

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 9. Reserves

	as at 30/06/22				as at 30/06/23
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

(a) Asset revaluation reserve

Land	416,192	35,344	13,485	–	465,021
Buildings and other structures	67,201	6,463	(1,560)	–	72,104
Infrastructure	516,177	46,459	(2,007)	524	561,153
JV's / associates - other comprehensive income	2,285	125	–	–	2,410
Total other assets	2,285	125	–	–	2,410
Total asset revaluation reserve	1,001,855	88,391	9,918	524	1,100,688
Comparatives	645,797	215,794	140,953	(689)	1,001,855

	as at 30/06/22				as at 30/06/23
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

(b) Other reserves

Developer Contributions	11,259	5,644	(3,816)	–	13,087
Other reserves	37	137	(42)	–	132
Supplementary Local Roads	1,964	758	–	–	2,722
Total other reserves	13,260	6,539	(3,858)	–	15,941
Comparatives	11,468	4,138	(2,346)	–	13,260

Purposes of reserves

Asset Revaluation Reserve

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

Developer Contributions

Where developers elect to make a cash contribution to Council in lieu of installing a physical asset, the cash must be paid to Council at the time of processing the planning application. Council sets these funds aside in the Developer Contribution Reserve for construction of the assets after development is completed.

Supplementary Local Roads

The Supplementary Local Road Funding program is an additional allocation of road funding provided by Federal Government. Any unspent funds from the financial year are set aside in the Reserve for construction of future local roads.

Note 10. Assets subject to restrictions

The nature of some of the City of Playford's 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

	Notes	2023 \$ '000	2022 \$ '000
--	-------	-----------------	-----------------

(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 & Cash Equivalents Assets	5	15,403	1,818
Balances per Statement of Cash Flows		15,403	1,818

(b) Reconciliation of change in net assets to cash from operating activities

Net surplus/(deficit)		45,452	61,810
Non-cash items in income statements			
Depreciation, amortisation and impairment	3c	28,029	25,552
Equity movements in equity accounted investments (increase)/decrease	19(a)i	303	(765)
Non-cash asset acquisitions	2h	(21,571)	(48,511)
Grants for capital acquisitions treated as investing activity	2g	(13,895)	(10,656)
Net (gain)/loss on disposals	4	(1,612)	4,769
		36,706	32,199
Add (less): changes in net current assets			
Net (increase)/decrease in receivables	5b	(7,525)	(199)
Change in allowances for under-recovery of receivables	5b	(4)	(5)
Net (increase)/decrease in inventories	5d	(62)	(46)
Net (increase)/decrease in other assets	5c,5e	(116)	(205)
Net increase/(decrease) in trade and other payables	8a	231	985
Net increase/(decrease) in other provisions	8c	(140)	370
Net cash provided by (or used in) operations		29,090	33,099

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	2h	21,571	48,511
Total non-cash financing and investing activities		21,571	48,511

(d) Financing arrangements

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

Bank overdrafts	1,500	1,500
Corporate credit cards	255	250
LGFA cash advance debenture facility	47,935	51,895

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 2023

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 AND NON-CURRENT)	
	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000	2023 \$ '000	2022 \$ '000
Functions/Activities										
City Maintenance	5,399	3,804	68,745	62,516	(63,346)	(58,712)	9,220	8,315	1,575,656	1,468,478
Waste and Recycling	1,380	937	17,265	17,272	(15,885)	(16,335)	–	–	3,691	4,080
Local Business Support	421	338	1,087	1,004	(666)	(666)	–	–	248	273
Public Health, Regulatory and Environment	5,164	4,398	11,265	10,539	(6,101)	(6,141)	192	147	–	–
Administration and Other Activities	114,894	109,129	–	–	114,894	109,129	19,333	16,721	42,054	25,120
Community Facilities, Programs and Events	6,089	5,633	17,936	17,356	(11,847)	(11,723)	3,942	3,967	72,092	67,290
Total Functions/Activities	133,347	124,239	116,298	108,687	17,049	15,552	32,687	29,150	1,693,741	1,565,241

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 2023

Note 12(b). Components of functions

The activities relating to Council functions are as follows:

Community Facilities, Programs and Events

Club and Sporting Governance

We support over 80 sporting clubs with facilities for training and competition, including regional sites such as the Playford Tennis Centre, Aquadome, Playford Bowling Club and Elizabeth Oval. We work with clubs and associations to support effective administration, operations and compliance to optimise utilisation of facilities for the community's benefit.

Community Development and Health Initiatives

Community development supports knowledge and skills development for individuals and families. Services are delivered at several sites including the Playford Wellbeing Hub, the Healthy Food Co, Marni Waiendi and the Elizabeth Rise Community Centre.

These initiatives support the community in various ways, such as promotion of health and wellbeing practices, providing volunteer opportunities, advocacy and provision of a range of social and educational activities.

Community Inclusion

Council provides education, information and support to assist older and vulnerable people to remain independent and connected within the community. Inclusion programs are run at sites including the Grenville Hub and Playford Wellbeing Hub, as well as outreach programs in One Tree Hill and Virginia. We also support people living with a disability through the NDIS, which is supported by Council's Disability Access and Inclusion Plan.

Community Venues

We have a range of venues the community can access for events and experiences. The Shedley Theatre is the northern suburbs' premier theatre venue, hosting a calendar of high-profile, professional artists, as well as supporting local amateur groups and school events.

The Uley Road and Spruance Halls provide high quality space for the community to utilise. The Northern Sound System (NSS) is the state's leading youth music facility, engaging young people through music and creative industries. An extensive range of programs build the capacity of young people, while also offering a live music venue, rehearsal spaces and recording studio.

Customer Contact

Our Customer Contact Team provides prompt, helpful and accurate information and transactional services to our community.

Event Management

Council delivers a range of community and civic events across the city and, where appropriate, looks to partner to extend the range of events on offer. These events celebrate the community and promote a sense of connection.

Library

Library Services provide access to information, technology and educational programs, cultural engagement, local history, social interaction, entertainment and leisure for our community. Branches at the Civic Centre and Stretton Centre are supported by the Mobile and Home Library Services.

Volunteer Development

Volunteers extend and enhance the services and programs delivered by Council through sharing their time, energy and skills to benefit the community. Volunteers receive many opportunities to develop new skills and knowledge, connect with others and enjoy a sense of accomplishment.

City Maintenance

Parks and Reserves

Council maintains approximately 170 irrigated parks and reserves throughout the city. They provide a range of amenities consisting of welcoming outdoor spaces, accessible play spaces, park furniture and green open space to encourage sporting activities and recreation. In addition, Council also maintains approximately 92 dryland reserves that provide natural open space.

Rapid Response

Council provides a rapid response team to attend to urgent situations and help reduce risk to our community. The primary objective is to make the situation safe, with additional work then referred to other Council services.

Rural Streetscapes

Regular road maintenance is undertaken in our rural areas, with a programmed and proactive approach based on risk. This service enables a safe and connected community for our rural residents.

Sportsfield Maintenance

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12(b). Components of functions (continued)

The maintenance of Council's many sports fields is important to ensure our community can actively engage and participate in a range of sporting activities on offer across our city.

Stormwater Network

The stormwater network provides for the collection and transportation of stormwater throughout the city. Maintenance of the network reduces the risk of flooding and associated property damage. It also improves the water quality to wetlands and protects against water damage to road infrastructure.

Tree Services

Our tree services team maintain trees on community land, which contributes to the look and feel of the city, as well as positively impacting on the health and wellbeing of Playford residents and visitors.

Urban Streetscapes

This service provides safe pedestrian access, a safe and orderly urban road network, and improved appearance of street frontages, contributing to overall city presentation.

Graffiti Operations

The graffiti team provides a quick and timely response to the removal of graffiti from Council assets, leading to a clean and attractive city with a reduction in overall visible graffiti.

Waste and Recycling

Kerbside Waste

The kerbside waste management service includes household waste, recycling, green organics and hard waste. Diversion rates away from landfill, through recycling, reduction in contamination rates, and uptake of the green organics service are a focus of this service.

Illegal Dumping

This service manages the collection and disposal of illegally dumped rubbish throughout the city as well as penalises illegal dumping offences.

Local Business Support

Business Support and Industry Development

This service fosters business growth and supports and facilitates the creation of local jobs. Our modern co-working facility at the Stretton Centre provides cost-effective office space and one-to-one business support. Support is also provided at an industry level through specific projects, advocacy and connection, as well as through the Virginia Horticulture Centre.

Public Health, Regulatory and Environment

Environmental Health

This service covers the assessment, improvement and compliance to public health, food safety and wastewater standards.

Environmental Sustainability

In collaboration with our community, we enhance our local environment with resident engagement initiatives such as plant distribution programs, projects to improve our urban and rural biodiversity and targeted biodiversity management on rural roadsides.

Immunisation

Our immunisation service seeks to minimise the incidence of vaccine-preventable diseases and covers early childhood immunisation, secondary school programs, the New Arrival Refugee Immunisation (NARI) program and public and business programs.

Regulatory Services

Key regulatory requirements are maintained to minimise the risk to public safety: animal management, parking compliance, fire prevention, litter prevention, by-laws and Local Government Act compliance. Coupled with education initiatives, these all contribute to a safer and better quality of life for our community.

Development Services

This service facilitates safe and desired city development by coordinating and managing growth, assessing development applications, providing advice, ensuring development is constructed to Council standards and is compliant with relevant regulations.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12(b). Components of functions (continued)

Administration and Other Activities

Items under this function include General Purpose grants, non-program related grants and Rates revenue. These items are not directly attributed to a service and other minor activities.

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:

Deposits at call have a returning interest rate between 2.88% to 3.18% (2022: 0.08% to 0.38%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and 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 2% (2022: 2%). Each month thereafter a further interest penalty of 0.48% (2022: 0.42%) is added. 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 and 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).

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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 (at maturity or Annual Principal & Interest); interest is charged at fixed or variable rates between 1.80% and 6.05% (2022: 1.80% and 5.40%).

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting Policy:

At the commencement date, a lessee shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

		Due < 1 year \$ '000	Due > 1 year and ≤ 5 years \$ '000	Due > 5 years \$ '000	Total Contractual Cash Flows \$ '000	Carrying Values \$ '000
Notes						
Financial assets and liabilities						
2023						
Financial assets						
Cash and cash equivalents	5a	15,403	–	–	15,403	15,403
Receivables	5b	13,931	22	10	13,963	13,924
Other financial assets	5c,6a	24	111	137	272	248
Total financial assets		29,358	133	147	29,638	29,575
Financial liabilities						
Payables	8a	13,781	8,189	10,598	32,568	11,769
Current borrowings	8b	6,440	–	–	6,440	6,440
Non-current borrowings	8b	–	36,914	57,732	94,646	94,646
Lease liabilities	17b	91	76	–	167	167
Total financial liabilities		20,312	45,179	68,330	133,821	113,022
Total financial assets and liabilities		49,670	45,312	68,477	163,459	142,597
2022						
Financial assets						
Cash and cash equivalents	5a	1,818	–	–	1,818	1,818
Receivables	5b	6,411	24	14	6,449	6,403
Other financial assets	5c,6a	23	105	167	295	273
Total financial assets		8,252	129	181	8,562	8,494
Financial liabilities						
Payables	8a	13,394	8,937	12,420	34,751	11,173
Current borrowings	8b	6,174	–	–	6,174	6,174
Non-current borrowings	8b	–	48,358	51,768	100,126	100,126
Lease liabilities	17b	140	143	–	283	283
Total financial liabilities		19,708	57,438	64,188	141,334	117,756
Total financial assets and liabilities		27,960	57,567	64,369	149,896	126,250

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

	2023		2022	
	Weighted Avg Interest Rate \$ '000	Carrying Value \$ '000	Weighted Avg Interest Rate \$ '000	Carrying Value \$ '000
Overdraft	11.18%	–	7.93%	–
Other variable rates	5.73%	30,667	2.36%	21,801
Fixed interest rates	3.73%	70,586	3.61%	84,782
		101,253		106,583

Net fair value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the
continued on next page ...

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

financial assets of the Council.

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. 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 its financial liability obligations. Council consider borrowings as an organisational response to the need for funds for capital projects or cashflow, without specifically borrowing for a particular project. The term of any borrowings, whether fixed interest or floating interest rate borrowings are sought with a range of maturity dates including access to bank overdraft and standby borrowing facilities to ensure a base level of liquidity is available at all times. This is in accordance with Council's Treasury Policy.

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.

	ECL Rate	Gross carrying amount \$ '000	Expected Loss \$ '000
2023			
Current (not past due)	0.0%	430	—
Past due 1-30 days	0.2%	17	—
Past due 31-60 days	0.6%	71	—
Past due 61-90 days	1.0%	124	1
Past due 91 days +	2.8%	377	11
		1,019	12
2022			
Current (not past due)	0.1%	469	—
Past due 1-30 days	0.3%	67	—
Past due 31-60 days	0.6%	44	—
Past due 61-90 days	0.8%	180	1
Past due 91 days +	4.4%	140	7
		900	8

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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

	2023 \$ '000	2022 \$ '000
As at 1 July	8	3
Provisions	7	7
Write-off	(3)	(2)
As at 30 June	12	8

Note 14. Capital expenditure and investment property commitments

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

Capital commitments

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

Land	201	73
Buildings	746	1,109
Infrastructure	10,676	15,810
Plant and equipment	1,410	1,440
	13,033	18,432

These expenditures are payable:

Not later than one year	13,033	18,432
	13,033	18,432

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 15. Financial indicators

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022	Indicators 2021
---------	-----------------	-------------------	--------------------	--------------------

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.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison. Adjustments are also made for Developer Contributions & Grant payments that are recognised under accounting standards as operating income but utilised for capital & future capital spend.

1. Operating Surplus Ratio

Operating surplus	17,049	12.8%	12.5%	9.8%
Total operating income	133,347			

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

Adjusted Operating Surplus Ratio

Operating surplus	3,244	2.7%	2.9%	3.9%
Total operating income	119,542			

2. Net Financial Liabilities Ratio

Net financial liabilities	99,793	75%	102%	126%
Total operating income	133,347			

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.

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	115,138	90%	114%	131%
Total operating income	128,217			

3. Asset Renewal Funding Ratio

Asset renewals	10,488	65%	70%	108%
Infrastructure and Asset Management Plan required expenditure	16,167			

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 16. Uniform presentation of finances

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

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

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

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

Income

Rates	91,750	86,346
Statutory charges	3,169	2,852
User charges	3,881	3,929
Grants, subsidies and contributions - capital	8,675	8,140
Grants, subsidies and contributions - operating	24,012	21,010
Investment income	56	10
Reimbursements	1,094	905
Other income	710	205
Net gain - equity accounted council businesses	—	842
Total Income	133,347	124,239

Expenses

Employee costs	42,828	41,719
Materials, contracts and other expenses	41,243	37,507
Depreciation, amortisation and impairment	28,029	25,537
Finance costs	3,895	3,847
Net loss - equity accounted council businesses	303	77
Total Expenses	116,298	108,687

Operating Surplus / (deficit)

Timing adjustment for grant revenue	(5,130)	(4,212)
-------------------------------------	---------	---------

Adjusted Operating surplus / (deficit)

	11,919	11,340
--	---------------	---------------

Net outlays on existing assets

Capital expenditure on renewal and replacement of existing assets	(12,098)	(15,110)
Add back depreciation, amortisation and impairment	28,029	25,537
Add back proceeds from sale of replaced assets	1,610	1,361
	17,541	11,788

Net outlays on new and upgraded assets

Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(24,950)	(13,839)
Add back amounts received specifically for new and upgraded assets	5,220	2,516
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	11,606	4,334
	(8,124)	(6,989)

Annual net impact to financing activities (surplus/(deficit))

	21,336	16,139
--	---------------	---------------

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Building

Community building leases include Elizabeth Rise Community Centre. The rent is increased by market rent review or CPI annually.

Plant and Equipment

Includes photocopiers and vehicles leasing. The leases are fixed repayments.

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

	Building \$ '000	Plant and Equipment \$ '000	Total \$ '000
2023			
Opening balance	80	201	281
Additions to right-of-use assets	2	35	37
Depreciation charge	(21)	(134)	(155)
Balance at 30 June	61	102	163
2022			
Opening balance	100	158	258
Additions to right-of-use assets	—	157	157
Depreciation charge	(20)	(114)	(134)
Balance at 30 June	80	201	281

(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:

	2023 \$ '000	2022 \$ '000
Balance at 1 July	283	261
Additions	37	157
Accretion of interest	5	5
Payments	(158)	(140)
Balance at 30 June	167	283
Classified as:		
Current	91	140
Non-current	76	143

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 17. Leases (continued)

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

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

The following are the amounts recognised in the Statement of Comprehensive Income:

Depreciation expense of right-of-use assets	155	132
Interest expense on lease liabilities	5	5
Total amount recognised in profit or loss	160	137

(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). Rentals received from such leases are disclosed in user charges (hall and equipment hire) in Note 2.

	2023 \$ '000	2022 \$ '000
--	-----------------	-----------------

Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:

Not later than one year	1,077	1,056
Later than one year and not later than 5 years	1,528	1,845
Later than 5 years	1,974	809
	4,579	3,710

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 18. Superannuation

Contribution to Superannuation Scheme

The Council makes employer superannuation contributions in respect of its employees to HostPlus Super (formerly Statewide Super 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 10.50% (10.00% in 2021/22). 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 2021/22) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% (3% 2021/22) 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 Willis Towers Watson as at 20 June 2022. 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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.

	Council's Share of Net Income		Council's Share of Net Assets	
	2023	2022	2023	2022
	\$ '000	\$ '000	\$ '000	\$ '000
Council's share of net income				
Joint ventures	(303)	765	10,178	10,759
Total Council's share of net income	(303)	765	10,178	10,759

((a)i) Joint ventures, associates and joint operations

(a) Carrying amounts

	Principal Activity	2023	2022
		\$ '000	\$ '000
Northern Adelaide Waste Management (NAWMA)	Waste Management	3,691	4,080
Gawler River Flood Management Authority (GRFMA)	Floodplain Management	6,487	6,679
Total carrying amounts - joint ventures and associates		10,178	10,759

Northern Adelaide Waste Management (NAWMA)

The Northern Adelaide Waste Management Authority (NAWMA) manages recycling, waste collection and waste disposal for the City of Playford, City of Salisbury and Town of Gawler. Contributions are made towards waste collection, disposal and kerbside recycling and administration.

The City of Playford has a 33.50% equity interest in NAWMA for the year ended 30 June 2023 (2022: 36.50%). NAWMA has loan borrowings of \$8.98 million as at 30 June 2023. The City of Playford's share of borrowings is \$3.0 million.

Gawler River Flood Management Authority (GRFMA)

The Gawler River Floodplain Management Authority (GRFMA) was established in August 2002 to construct, operate and maintain flood mitigation infrastructure in the Gawler River area. Contributions are made to the administrative expenses of the Authority.

The City of Playford has a 30.60% equity interest in GRFMA as at 30 June 2023 (2022: 30.90%).

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2023	2022	2023	2022	2023	2022
Northern Adelaide Waste Management (NAWMA)	33.5%	36.5%	33.5%	36.5%	33.3%	33.3%
Gawler River Flood Management Authority (GRFMA)	30.6%	30.9%	30.6%	30.9%	17.0%	17.0%

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 19. Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

	Northern Adelaide Waste Management (NAWMA)		Gawler River Flood Management Authority (GRFMA)	
	2023	2022	2023	2022
	\$ '000	\$ '000	\$ '000	\$ '000
Opening Balance	4,080	3,117	6,679	6,848
Share in Operating Result	(188)	842	(115)	(77)
Share in Other Comprehensive Income	131	—	(6)	—
Adjustments to Equity	(332)	121	(71)	(92)
Council's equity share in the joint venture or associate	3,691	4,080	6,487	6,679

(d) Share of Joint Operations Expenditure Commitments

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

	2023	2022
	\$ '000	\$ '000
Not later than one year	5,605	6,239
Later that one year and not later than 5 years	2,185	6,947
	7,790	13,186

Note 20. Non-current assets held for sale and discontinued operations

	2023	2022
	\$ '000	\$ '000

Carrying Amounts of Assets and Liabilities

Assets

Asset Held for Sale	362	5,156
Total assets	362	5,156
Net assets	362	5,156

These assets were previously classified as part of Land in Note 7a.

Prior to transferring to non-current assets held for sale, the land was revalued to reflect its fair value.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 21. Contingencies and assets/liabilities not recognised in the balance sheet

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

1. Land under roads

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

At reporting date, Council controlled 932 km of road reserves of average width 15 metres.

2. Potential insurance losses

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

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

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

3. Bank guarantees

Council may guarantee certain loans and other banking facilities advanced to community organisations and sporting bodies. As at 30 June 2023 the amount guaranteed was \$nil (2022: \$nil).

Council holds guarantee for certain procurement contracts. As at 30 June 2023 the amount held in guarantees was \$1.5M (2022: \$1.3M).

4. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development & Infrastructure Act 2016* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of one appeal against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. Indenture

As part of the indenture entered into in July 1998 by the South Australian Housing Trust (SAHT) and Council, the SAHT have maintained a trust account. These monies are to be used to assist in refurbishment of the areas in which SAHT houses are concentrated. The current balance of this account is \$1.44 million (2022: \$1.44 million).

At the time of expenditure Council assumes ownership of the asset.

Note 22. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2023, 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.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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, 47 persons were paid the following total compensation.

	2023 \$ '000	2022 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	4,727	4,605
Termination benefits	65	61
Councillor Allowances	440	431
Total	5,232	5,097

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

Receipts from key management personnel comprise:

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

Planning and building application Fees	1	1
Total	1	1

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

Key management personnel or close family members (including related parties) lodged a total of one planning and building applications during the year. These people took no part in the assessment or approval process for this applications.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 24. Council information and contact details

Principal place of business:

10 Playford Boulevard
Elizabeth SA 5112

Contact details

Mailing Address:

12 Bishopstone Road
Davoren Park SA 5113

Telephone: 08 8256 0333

Facsimile: 08 8256 0578

Opening hours:

9am-5pm
Monday to Friday

Internet: www.playford.sa.gov.au

Email: playford@playford.sa.gov.au

Officers

Chief Executive Officer

Sam Green

AUDITORS

BDO

Level 7, 420 King William Street

Adelaide SA 5000

AUSTRALIA

Tel: +61 8 7324 6000

Fax: +61 8 7324 6111

www.bdo.com.au

Elected members

Mayor

Glenn Docherty

Councillor

Cr Agapios (Peter) Rentoulis

Cr Akram Arifi

Cr Andrew Craig

Cr Chantelle Karlsen

Cr Clint Marsh

Cr David Kerrison

Cr Esperanza (Jane) Onuzans

Cr Gay Smallwood-Smith

Cr Katrina Stroet

Cr Marilyn Baker

Cr Misty Norris

Cr Rebecca Vandepeear

Cr Shirley Halls

Cr Tanya Smiljanic

Cr Zahra Bayani

Other information

ABN: 99 397 793 662

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF PLAYFORD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Playford (the Council), which comprises the statement of financial position as at 30 June 2023, 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 accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2023, and its financial performance and its cash flows for the year ended 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the annual report of Northern Adelaide Waste Management Authority for the year ended 30 June 2023.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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/ar4.pdf

This description forms part of our auditor's report.



BDO Audit Pty Ltd



Andrew Tickle
Director

Adelaide, 27 October 2023

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF PLAYFORD

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Playford ('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 2022 to 30 June 2023 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 2022 to 30 June 2023.

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.



BDO Audit Pty Ltd



Andrew Tickle

Director

Adelaide, 27 October 2023

City of Playford

General Purpose Financial Statements for the year ended 30 June 2023

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Playford for the year ended 30 June 2023, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Sam Green
Chief Executive Officer



Mark Labaz
Presiding Member, Corporate Governance
Committee

Date: 3 October 2023

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Playford for the year ended 30 June 2023, 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 Pty Ltd

Adelaide, 27 October 2023