
2025-26

ANNUAL REPORT



Prepared in accordance with the requirements of the *Local Government Act 1999* and the SHLGA Charter.

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ABOUT US

Building Regional Leadership Through Collaboration

The Southern and Hills Local Government Association (SHLGA) is the regional voice for six councils across the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island. Established as a Regional Subsidiary under the Local Government Act 1999 (SA), the Association exists to help constituent councils work together on issues that are regional in nature and deliver outcomes that are stronger than the councils could achieve independently.

SHLGA provides a platform for regional collaboration, strategic advocacy and shared leadership. By bringing councils together, the Association enables members to develop common positions, share knowledge and resources, pursue joint projects, and advocate collectively to State and Federal Governments on matters of regional significance.

This Annual Report outlines how SHLGA delivered against these objectives during 2025/26. It demonstrates not only the activities undertaken throughout the year, but the outcomes achieved for constituent councils and the value created through regional collaboration.



OUR PURPOSE

We exist to work together to improve the quality of life for our communities, enhance the prosperity of the region, and improve performance.

OUR PRIORITIES

During 2025/26, SHLGA continued to deliver its Business Plan through three strategic pillars.

These strategic priorities underpin all aspects of SHLGA's work and provide the framework for the achievements outlined throughout this Annual Report.

01.

Advocating

Representing the collective interests of the region.

02.

Sharing

Building stronger relationships between our councils.

03.

Delivering

Leading regional initiatives and delivering joint projects.

PRESIDENT'S MESSAGE

It is my pleasure to present the Southern and Hills Local Government Association's Annual Report for 2025/26.

This year has reinforced the importance of regional collaboration. Across South Australia, local government continues to face increasing expectations, financial pressures and increasingly complex policy challenges. In this environment, there has never been a greater need for councils to work together, share expertise and present a strong, united voice on matters of regional significance.

That is precisely the role SHLGA exists to fulfil.

Throughout the year, our Association continued to strengthen its position as the regional voice for the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island. By bringing together the perspectives and priorities of our six constituent councils, we have been able to advocate more effectively, deliver collaborative projects and build stronger relationships with governments, stakeholders, and our regional partners.

Through the development and adoption of a new four-year Advocacy Plan, constituent councils found common purpose on a breadth of strategic challenges and opportunities for the Southern and Hills region. SHLGA is now better positioned to advocate proactively on behalf of the region with a clear mandate and a united voice.

From advocating for fairer and more sustainable funding arrangements, to progressing regional public health planning and transport plans, responding to growth pressures and seeking coordinated infrastructure investment, SHLGA has demonstrated the value that can be achieved when councils work together towards shared outcomes. Importantly, our focus has extended beyond responding to today's challenges. Many of the initiatives undertaken during 2025/26 have been about our region being well positioned for the future.



PRESIDENT'S MESSAGE

These achievements would not have been possible without the commitment of our constituent councils. I would like to sincerely thank my fellow Board Members - our Mayors and Chief Executive Officers - and council staff for their ongoing collaboration, willingness to share knowledge and commitment to regional leadership.

I also acknowledge the valuable relationships SHLGA has continued to build with government agencies, regional organisations, elected representatives and industry stakeholders. Strong partnerships are essential to achieving lasting outcomes for our communities, and our Association continues to be recognised as a constructive and credible voice on regional issues.

As we look ahead, the opportunities for greater regional collaboration continue to grow. Whether through joint advocacy, shared strategic planning, collaborative service delivery or regional project development, SHLGA is well placed to help constituent councils respond to emerging challenges while continuing to strengthen the Southern and Hills region.



Mayor Moira Jenkins
SHLGA President

DELIVERING OUR BUSINESS PLAN - ADVOCACY

During 2025/26, the Association significantly strengthened its advocacy capability by establishing the strategic foundations needed to influence government over the long term.

SHLGA adopted a structured approach to regional advocacy based on clear governance, agreed priorities and coordinated engagement with State and Federal decision-makers. This work has positioned SHLGA as a strong and credible regional advocate, capable of representing the collective interests of councils on matters of regional significance.

The year's advocacy program focused on ensuring governments better understood the opportunities and challenges facing one of South Australia's fastest growing and most diverse regions.

Through submissions, policy development, direct engagement with Ministers and Members of Parliament, media and collaboration with regional partners, SHLGA advanced practical, evidence-based solutions to improve infrastructure, financial sustainability, community wellbeing and regional prosperity. While many advocacy priorities will continue over coming years, 2025/26 established the strategic direction, governance framework and relationships that will guide SHLGA's advocacy well into the future.



 **INSIDE LOCAL GOVERNMENT**
News, Information and Events for Local Councils throughout Australia

09/02/2026



**SA councils group calls for growth
funding commitments ahead of
State...**

04/02/2026

ADVOCACY

Creating the Foundations for Regional Advocacy

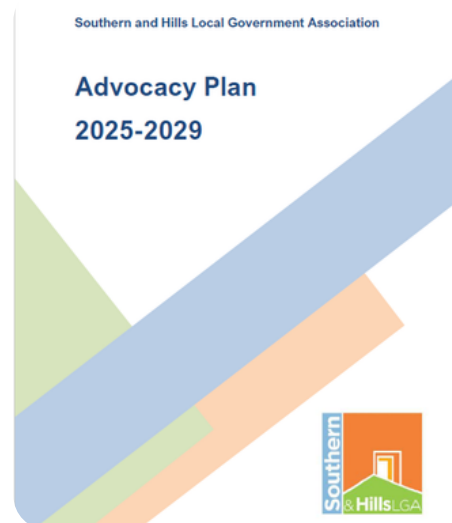
A defining achievement of the year was the adoption of SHLGA's first Advocacy Framework and Advocacy Plan 2025–2029. Together, these documents established a clear, transparent and consistent approach to how the Association undertakes advocacy for the region.

The Advocacy Framework provides clear governance arrangements, outlining how advocacy priorities are identified, endorsed and communicated, while ensuring advocacy remains evidence-based, aligned with constituent council priorities and accountable to the Board.

Building on this governance framework, the four-year Advocacy Plan established six strategic advocacy themes that will guide SHLGA's engagement with governments and stakeholders:

- Managing Growth, Housing and Liveability
- Infrastructure, Integrated Transport and Connectivity
- Environment, Coast and Climate Resilience
- Economic Development and Local Jobs
- Community Health and Wellbeing
- Financial Sustainability, Shared Services and Collaboration

Importantly, the Advocacy Plan shifts SHLGA from a reactive approach towards proactive regional leadership. It provides a shared mandate for the Association to pursue long-term regional priorities, allocate resources strategically and advocate consistently on behalf of the region.



ADVOCACY

2026 State Election

SHLGA delivered a coordinated State Election campaign, focused on six high-impact regional policy outcomes:

- Community Ready growth funding
- South Coast Freight Corridor
- Better public transport
- Algal Bloom response
- Regulation of short-stay accommodation
- Policies and funding for green, healthy communities

The campaign combined policy development, direct engagement with political parties and candidates, meetings with Ministers and Shadow Ministers, regional media activity and council briefing materials to build awareness of the region's priorities ahead of the election.

The campaign reinforced SHLGA's position as the collective voice of the region while strengthening relationships with elected representatives and ensuring regional priorities were clearly understood throughout the election period and beyond.

SHLGA was able to support and build awareness of local advocacy priorities, particularly in relation to housing and infrastructure challenges, and many of the regional outcomes sought were reflected in the policies and commitments announced by parties and candidates during the election period and in the subsequent State Budget.



Media Release

Fast-growing Southern and Hills region still waiting for 'Community-Ready' investment

The 2026-27 South Australian State Budget was, as anticipated, focused on delivering previously announced commitments from the March State Election.

While the Southern and Hills Local Government Association (SHLGA) welcomes several positive investments across the region, the Budget represents a missed opportunity to address the infrastructure and service pressures facing one of South Australia's fastest growing communities and its most economically productive region.

SHLGA's pre-budget advocacy focused on securing investment in enabling infrastructure, regional transport connections, community facilities, workforce development and services required to support population growth and economic activity.

SHLGA Deputy President Mayor Darryl Houston said councils across the region continue to face growing demand for roads, community facilities, transport connections, recreation infrastructure, workforce development and essential services.

"While there are several welcome initiatives in this Budget, there remains a significant gap between the pace of growth occurring in our region and the level of investment needed to ensure communities remain liveable, connected and prosperous," Mayor Houston said.

"Community-ready growth funding remains one of SHLGA's highest advocacy priorities. Growth should be accompanied by the infrastructure and services needed to support residents, businesses and visitors."

The Budget does include several initiatives that align with SHLGA advocacy priorities and will benefit Southern and Hills communities, including:

- \$80 million over five years to upgrade the Adelaide Road and Hawthorn Road intersection in Mount Barker.
- \$25.5 million over four years to construct and operate a new multi-trade vocational training workshop at the TAFE SA Mount Barker campus.
- \$7.5 million for the acquisition of Mumbo Island, Ewe Island and Long Island to expand national park areas and strengthen environmental resilience across the Murray Mouth.
- \$800,000 over two years to support the Kangaroo Island Landscape Board's feral cat eradication program.
- \$1.2 million in 2026-27 to improve the Heyden Trail through land acquisition near Cuddee Creek and infrastructure upgrades at Finders Chase National Park.
- \$5 million over three years to regional landscape boards to support river and waterway restoration, ecosystem regeneration and habitat protection.

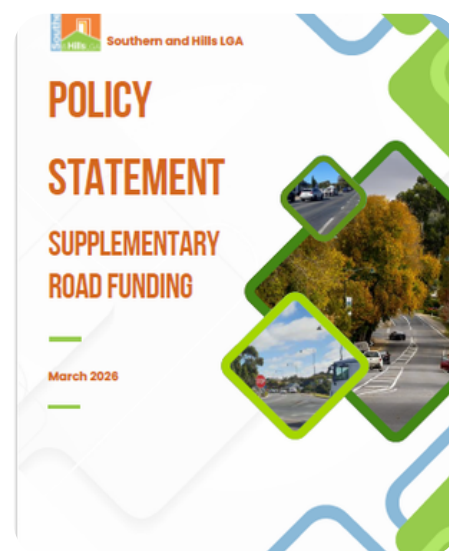


ADVOCACY

Securing Sustainable Funding for Regional Communities

Throughout the year SHLGA continued advocating for fairer, more predictable funding arrangements that recognise the growing responsibilities of local government. Key advocacy initiatives included:

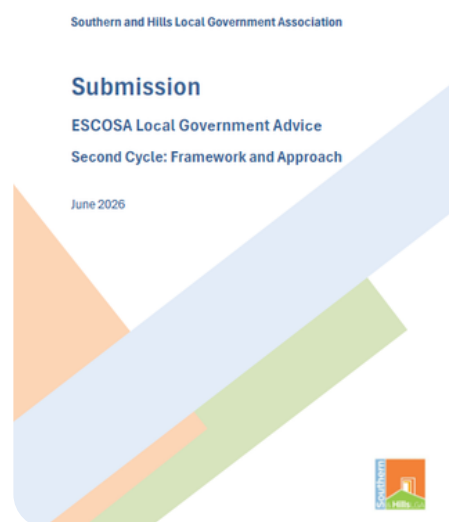
- Submission to the Australian Government's 2026/27 Federal Budget.
- Submission to the House of Representatives Inquiry into Local Government Funding and Fiscal Sustainability.
- Regional advocacy supporting the continuation and indexation of South Australia's Supplementary Local Roads Program.
- Ongoing advocacy for Community-Ready Growth Funding to ensure infrastructure investment keeps pace with population growth.



Influencing Government Policy

SHLGA provided constructive input into a range of State and Commonwealth policy reforms affecting local government. During the year, submissions were prepared on:

- the draft South Australian Public Health Plan;
- the Essential Services Commission of South Australia's (ESCOSA) Local Government Advice Scheme;
- the State Parliament's Inquiry into the Harmful Algal Bloom;
- the Northern Parklands Bill 2025; and
- other emerging legislative and policy matters affecting constituent councils.



YEAR IN REVIEW

Advocacy - Building a Stronger Regional Voice



Adopted SHLGA's first Advocacy Framework



Adopted the inaugural Advocacy Plan 2025–2029



Established six regional advocacy priority themes



Delivered a coordinated State Election Strategy



Prepared ten major advocacy submissions



Featured in seven national and regional media stories



Strengthened relationships with Ministers and Members of Parliament



Collaborated and engaged with regional partners and stakeholders



Positioned SHLGA as a trusted regional voice for the Southern and Hills region

DELIVERING OUR BUSINESS PLAN - SHARING

Regional collaboration is one of SHLGA's greatest strengths. By creating opportunities for councils to share knowledge, develop common approaches and work alongside regional partners, the Association helps our councils achieve outcomes that would be difficult to deliver independently.

During 2025/26, SHLGA continued to strengthen its role as the region's trusted convenor, bringing together elected members, chief executives, council officers, government agencies, regional organisations and industry partners to address shared opportunities and challenges.

Through this collaborative approach, the Association has continued to build stronger relationships across the region while improving the quality of information, research and strategic advice available to councils.

Strengthening Regional Collaboration

One of SHLGA's key priorities during the year was creating more opportunities for constituent councils to collaborate on issues of regional significance.

The Association continued to facilitate Board meetings, workshops and Working Groups that enabled councils to share experiences, discuss emerging issues and develop coordinated responses to common challenges.

During the year, the Board also adopted a new process for constituent councils to submit items of business for consideration, creating a clearer pathway for regional issues to be identified, discussed and progressed collaboratively. This has strengthened member ownership of the Association's work program while ensuring SHLGA remains responsive to emerging regional priorities.



SHARING

Becoming a Regional Knowledge Hub

Throughout 2025/26, SHLGA expanded its role as a knowledge-sharing organisation.

The launch of the Southern and Hills Region Exchange (SHaRe) initiative marked an important step towards creating a more connected regional local government network.

SHaRe has been established to support the exchange of ideas, practical experience, research and innovation between constituent councils, helping to reduce duplication and encourage collaboration across organisational boundaries. Our first SHaRe event was a webinar about what the State Election outcomes mean for local government reform and advocacy. The second event provided face to face and online training for Mayors, CEOs and governance officers on caretaker policies, with a particular focus on regional subsidiaries and local government's advocacy role.

This commitment to knowledge sharing was also supported through the preparation and distribution of regional newsletters, policy briefings, advocacy updates, governance advice, Board workshops, research papers and stakeholder presentations.

By providing timely, relevant and evidence-based information, SHLGA has helped councils remain informed about legislative reform, funding opportunities, emerging policy issues and examples of leading practice from across the sector.

SHLGA Webinar - Post-Election Debrief

Wednesday 6 May
1-2pm

In the first sitting week of our new Parliament, this member webinar will explore what the State Election outcomes mean for:

- Local government sector reform and priorities
- Influencing legislation
- Local and regional advocacy
- Engaging with decision makers



SHaRe
SOUTHERN AND HILLS REGION EXCHANGE

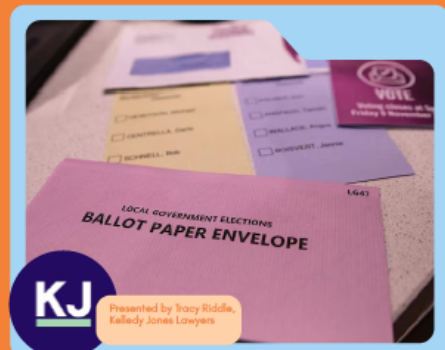
To receive the AG Teams link for this webinar
please register by emailing us at:
admin@shiga.sa.gov.au

SHLGA Caretaker Briefing

Friday 15 May 1-
2pm

This concise one hour session is
designed to provide clarity on:

- Caretaker obligations and limitations
- Practical implications for councils and regional subsidiaries
- Maintaining appropriate and effective advocacy during the caretaker period



SHaRe
SOUTHERN AND HILLS REGION EXCHANGE

For any queries, please contact:
admin@shiga.sa.gov.au

SHARING

Supporting Regional Priorities

During the year, the Association completed an update of the Regional Roads Database and Action Plan, ensuring constituent councils have access to current information to support infrastructure planning, funding advocacy and future investment decisions.

The Association also continued to seek external grant funding to progress regional priorities and leverage additional resources for collaborative projects.

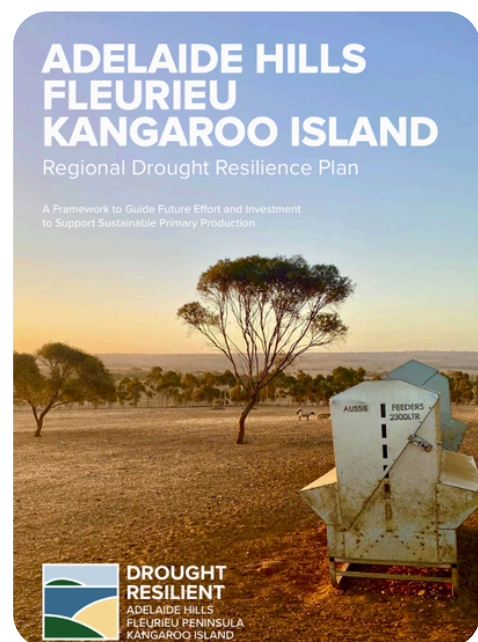
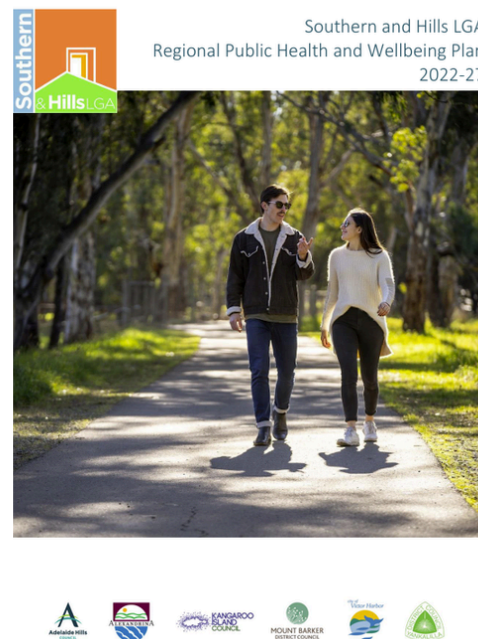
A \$40,000 Regional Capacity Building grant was secured from the Local Government Research and Development Scheme to support regional advocacy and transport planning. Letters of support were provided to councils and regional partners to help them secure grants for aligned priorities.

Maintaining Strong Networks and Partnerships

SHLGA maintained strong networks within and beyond local government, connecting constituent councils with regional partners including the LGA, other Regional LGAs, RDA AHFKI, SACCA, Landscape Boards and State Government agencies.

SHLGA also continued to support specialist working groups that bring council officers together to share expertise, solve common problems and inform regional projects and advocacy.

Together, these networks strengthen relationships, share knowledge and create opportunities for coordinated action on issues that extend beyond individual council boundaries.



YEAR IN REVIEW

Sharing - Connecting Councils, Building Capability



Launched the Southern and Hills Region Exchange (SHaRe) initiative to improve knowledge sharing and collaboration



Updated the Regional Roads Database and Action Plan to support regional planning and advocacy



Secured and pursued external funding opportunities to advance regional priorities



Introduced a monthly SHLGA Newsletter to keep members and stakeholders informed



Improved the process for councils to bring regional issues forward for consideration



Continued to support specialist working groups that strengthen professional networks and regional collaboration

DELIVERY

Strengthening Organisational Governance

A major focus throughout 2025/26 was strengthening SHLGA's governance framework to support the Association's continued organisational maturity.

The Board undertook a comprehensive program of governance improvements, including the adoption of new corporate policies, strengthening internal controls, reviewing the Association's Charter and Committee Terms of Reference, and introducing contemporary governance practices that improve accountability, transparency and organisational resilience.

These improvements provide greater clarity around decision-making, strengthen risk management and ensure SHLGA is well equipped to manage increasingly complex regional projects, partnerships and funding arrangements on behalf of constituent councils.

Southern and Hills Local Government Association

Charter

17 October 2025



Preparing the Region's Next Regional Public Health Plan

The Board adopted a comprehensive project plan to prepare the next iteration of the Southern and Hills Regional Public Health Plan.

The project establishes a collaborative framework for the six constituent councils to work together in identifying regional health priorities, engaging with communities and stakeholders, and developing a coordinated response to the public health challenges facing the region.

By establishing robust project governance, stakeholder engagement processes and implementation planning from the outset, SHLGA has laid the foundations for one of the Association's most significant collaborative initiatives, ensuring the project is well positioned to deliver meaningful outcomes during the next planning period.

YEAR IN REVIEW

Delivering – Building the Foundations to Translate Priorities into Action



Supported and coordinated applications to the annual and special rounds of the Special Local Roads Program



Established the governance and project framework for the next Southern and Hills Regional Public Health Plan



Modernised the Association's governance framework through updated policies, stronger internal controls



Reviewed the SHLGA Charter in accordance with legal requirements



Helped secure \$2.07M in Special Local Roads Funding for the region



Developed and implemented a four-year rolling Business Plan

SHLGA GOVERNANCE

The SHLGA Board

The SHLGA Board comprises two nominated representatives from each of the constituent councils and is chaired by the SHLGA President. Each constituent council may also nominate two Deputy Board Members. The Board is responsible for overseeing the administration of the affairs of the Association.

Board membership and Office Bearers as at 30 June 2026.

Council	Board Members	Deputy Board Members
Adelaide Hills Council	Mayor Nathan Daniell (1) CEO Greg Georgopoulos	Councillor Kristy Parkin
Alexandrina Council	Mayor Keith Parkes CEO Andrew MacDonald	Deputy Mayor Michael Scott
Kangaroo Island Council	Mayor Michael Pengilly CEO Daryl Buckingham	Deputy Mayor Richard Cotterill
Mount Barker District Council	Mayor David Leach (2) CEO Andrew Stuart	Councillor Samantha Jones Alison Hancock
City of Victor Harbor	Mayor Moira Jenkins (President) CEO Victoria MacKirdy	
District Council of Yankalilla	Mayor Darryl Houston (Deputy President) (3) CEO Nathan Cunningham	Deputy Mayor David Olssen

(1) Acting Mayor until elected as Mayor in February 2026

(2) Leave of absence from Dec 2025 – March 2026. Acting Mayor Rowan Voogt served on the SHLGA Board during this period.

(3) Appointed as SHLGA Deputy President in December 2025 to fill a vacancy

SHLGA GOVERNANCE

SHLGA Board Meetings

The Board held four ordinary Board Meetings in 2025/26:

- 18 July 2025 – Alexandrina Council
- 17 October 2025 – District Council of Yankalilla
- 6 March 2026 – Mount Barker District Council
- 15 May 2026 – City of Victor Harbor

A Special Board Meeting was held online on 9 December 2025. The Board considered five items of business via Circular Resolution in 2025/26.

Minutes and Agendas of SHLGA Board Meetings are published [online](#).



Image: SHLGA Board meeting hosted by District Council of Yankalilla

Back row: Mayor Darryl Houston, Andrew MacDonald, Mayor Michael Pengilly, Mayor David Leach, Andrew Stuart, Mayor Keith Parkes, Greg Georgopoulos

Front row: Nathan Cunningham, Mayor Moira Jenkins, Victoria MacKirdy, Roy Jones

SHLGA GOVERNANCE

SHLGA Working Groups

The SHLGA Board is supported by Working Groups established to progress regional priorities with input and oversight from subject matter experts from councils and partner organisations. Working Group Terms of Reference were reviewed and refreshed by the Board in 2025/26.

SHLGA Regional Public Health Plan Working Group

The six SHLGA Member Councils have jointly prepared a Regional Public Health and Wellbeing Plan 2022 – 2027. The Working Group is established to support the implementation, monitoring, and reporting of the Plan and to identify opportunities to build awareness of and advocate for the health and wellbeing needs of the region's communities.

The Working Group met four times in 2025/26 and key focus areas and outcomes included hoarding and squalor support, emerging public health issues, regional collaboration initiatives, drought resilience and wellbeing, housing and homelessness, and grant funding opportunities.

Southern and Hills Roads Working Group

SHLGA Member Councils work collaboratively, taking a regional approach to transport planning and coordinating funding applications based on the region's strategic road priorities. The Roads Working Party, comprising the principal roads manager from five participating councils and an external transport engineering advisor, is formed to provide a forum for networking, support and exchange of ideas around local government responding to transport needs.

The Roads Working Group met three times in 2025-26 and key focus areas and outcomes included:

- Monitoring the implementation of the SHLGA 2030 Regional Transport Plan
- Prioritising Special Local Road Program funding applications for the region:
- Updating the regional roads database, which is used to prioritise applications for regional road funding.

SHLGA GOVERNANCE

SHLGA Working Group Members

Working Group Members as at 30 June 2026:

Council	Roads Working Group	Public Health Working Group
Adelaide Hills Council	N/A	Yvette Cole
Alexandrina Council	Jonathon Smyth	Kylie Markow, Tony Pearson
Kangaroo Island Council	Yarran Iversen	Elizabeth Trethewey
Mount Barker District Council	Russell Pilbeam (1)	Anne Ross, Jamie Tann, Egon Loh
City of Victor Harbor	Jodi Roberts (2)	Leann Symonds (Chair)
Distrcit Council of Yankalilla	Mark Gibson	Tia Russell, Kim Vivian
External Stakeholders	Tim Viner-Smith (HDS Australia)	Belinda Tassone (LGA South Australia)

(1) Matthew Dawkins served on the Working Group until May 2026

(2) Mark Buckerfield served on the Working Group until June 2026

SHLGA recognises and thanks all current and former Board Members, Deputy Board Members and Working Group members who served on the Board and Committees in 2025/26.

FINANCIAL STATEMENTS

The following pages contain the 2025-26 Audited Financial Statements for the Southern and Hills Local Government Association, prepared in accordance with the *Local Government (Financial Management) Regulations 2011*.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ended 30th June 2026

		2026	2025
	Notes	\$	\$
Income			
Subscriptions	1.8	144,980	141,680
Operating Grants	2.2	13,000	40,000
Investment Income	1.7	6,466	6,766
Other		33,505	39,850
Total Income		197,951	228,296
Expenditure			
Employee Costs		0	42,391
Materials, Contracts and other expenses	3	148,961	167,992
Audit Fees		3,850	5,700
Total Expenditure		152,811	216,083
Surplus (Deficit) from Operations		45,140	12,213

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2026

	2026	2025
Notes	\$	\$
Current Assets		
Cash at Bank	30,491	27,416
LGFA Deposit	174,297	117,887
Accrued Income	666	402
GST	4,471	11,768
Prepayments	2,056	2,101
Total Current Assets	211,981	159,574
Current Liabilities		
Accounts Payable	12,026	15,813
Accrued Expenses	5,833	14,779
Deferred Income	20,000	0
PAYG Payable	0	0
Employee provisions	0	0
Rounding	0	0
Superannuation payable	0	0
Total Current Liabilities	37,859	30,592
Net Current Assets	174,122	128,982
Net Assets	174,122	128,982
Equity		
Accumulated Surplus	174,122	128,982
Total Equity	174,122	128,982

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2026

	2026	2025
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	128,982	116,769
Adjustments made to reconcile GST from prior years	0	0
Adjustments made to reconcile PAYG from prior years	0	0
Adjustments made to reconcile Wages Payable from prior years	0	0
Net Surplus / (Deficit)	<u>45,140</u>	<u>12,213</u>
Balance at end of period	<u>174,122</u>	<u>128,982</u>
Total Equity	<u>174,122</u>	<u>128,982</u>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2026

	2026	2025
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	232,607	242,583
Payments	(179,324)	(293,333)
Interest Receipts	6,202	6,766
Net Cash Provided by (Used in) Operating Activities	59,485	(43,984)
Net increase/(decrease) in Cash Held	59,485	(43,984)
Cash at the beginning of the reporting period	145,303	189,287
Cash at the end of the reporting period	204,788	145,303

Reconciliation of Change in Net Assets to Cash from operating activities

	2026	2025
	\$	\$
Net Surplus	45,140	12,213
Decrease / (Increase) in Provisions	0	(53,045)
Decrease / (Increase) in Debtors	(219)	(2,503)
(Decrease) / Increase in Accounts Payable	(3,787)	(687)
(Decrease) / Increase in Grants in Advance	20,000	0
Increase / (Decrease) in GST	7,297	(3,756)
Increase / (Decrease) in Trade and Other Payables	(8,946)	3,794
Net Cash provided by Operating Activities	59,485	(43,984)

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

Note 1 - Significant Accounting Policies

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 10 September 2026.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

These are general-purpose Tier 2 financial statements are prepared under Australian Accounting Standards – Simplified Disclosures.

The Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Non-Current Assets and Non-Current Liabilities

The Association has nil non-current assets or non-current liabilities.

1.6 Employees

The Association currently has no employees. The Executive Officer role was outsourced upon the retirement of the employee in October 2024.

1.7 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions (not levies) by Constituent Councils are equal. The Charter has since been amended in January 2022 allowing flexible subscriptions.

Constituent Council Subscription 2026	\$22,550
Constituent Council Subscription 2025	\$22,000

The above are annual subscriptions per council, excluding GST. In addition, total subscription income includes annual service charges of \$9,680 (2025 \$9,680).

1.9 Income recognition

The Association 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 Association expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when the Association enters 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 Association.

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand, and which are used in the cash management function on a day-to-day basis. Cash flows include GST.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration:	The operation of the Office of the Association and its decision-making forums.
Special projects:	The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2026	13,000	151,721	164,721	83.2%	128,761	84.3%	35,960
2025	40,000	148,446	188,446	82.5%	67,469	31.2%	120,977

Projects

2026	0	33,230	33,230	16.8%	24,050	15.7%	9,180
2025	0	39,850	39,850	17.5%	148,614	68.8%	(108,764)

Total

2026	13,000	184,951	197,951	100%	152,811	100%	45,140
2025	40,000	188,296	228,296	100%	216,083	100%	12,213

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2026	2025
Consultants:	HDS Australia Pty Ltd	\$13,650	\$2,000
	Jack Jensen	\$0	\$16,995
	BRM Advisory	\$0	\$69,260
	David Bacon	\$0	\$2,918
EO Services:	City of Victor Harbor	\$14,000	\$0
	Lisa Teburea Consulting	\$93,333	\$0
	MBDC	\$0	\$13,968

Upon the retirement of the Executive Officer in October 2024, S&HLGA were supported by Mount Barker District Council prior to the contract for services being awarded to City of Victor Harbor and Lisa Teburea.

Total	\$120,983	\$105,141
Materials and other expenses	\$27,978	\$62,851
Total	\$148,961	\$167,992

4. Comparison of Budget and Actual Results

	2026		2025	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	183,980	164,721	189,680	188,446
Projects	32,400	33,230	33,520	39,850
Total Revenue	216,380	197,951	223,200	228,296
Expenditure				
Administration	147,698	128,761	192,840	67,469
Projects	55,900	24,050	23,250	148,614
Total Expenditure	203,598	152,811	216,090	216,083
Surplus (Deficit)	12,782	45,140	7,110	12,213

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

- o the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- o the financial statements present a true and fair view of the Association's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year.
- o internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- o the financial statements accurately reflect the Association's accounting and other records.

Dated 10 September 2026



Lisa Teburea
EXECUTIVE OFFICER



Mayor Moira Jenkins
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

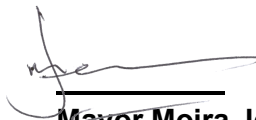
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2026, the Association's Auditor, Galpins, 3 Kensington Road, Norwood SA 5067 has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Dated 10 September 2026



Lisa Teburea
EXECUTIVE OFFICER



Mayor Moira Jenkins
PRESIDENT



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INDEPENDENT AUDITOR'S REPORT

To the members of Southern & Hills Local Government Association

Opinion

We have audited the accompanying financial report, being a Tier 2 Simplified Disclosures general purpose financial report, of Southern & Hills Local Government Association (the Association), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of Financial Statements of Southern & Hills Local Government Association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

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

Association's responsibility for the financial report

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

In preparing the financial report, the Association is responsible for assessing the Association'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 Association either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

10 September 2026



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To the members of Southern & Hills Local Government Association

Opinion

We have undertaken a reasonable assurance engagement on the design and operating effectiveness of controls established by Southern & Hills Local Government Association (the Association) in relation to financial transactions involving the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, throughout the period 1 July 2025 to 30 June 2026, relevant to ensuring that such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects, the controls established by the Association in relation to those financial transactions were suitably designed to ensure that the transactions were conducted properly and in accordance with law, and the controls operated effectively as designed throughout the period 1 July 2025 to 30 June 2026.

Basis for opinion

We conducted our engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, to state whether, in all material respects, the controls specified above were suitably designed and operated effectively throughout the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Association's responsibility for internal controls

The Association is responsible for establishing and maintaining controls over the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities. This includes identifying control objectives and the risks that threaten their achievement, designing controls to mitigate those risks, and operating the controls effectively throughout the period.

Our independence and quality control

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

Auditor's responsibility

Our responsibility is to express an opinion on the design and operating effectiveness of the controls established by the Association in relation to the financial transactions specified above, based on our procedures. Our engagement was conducted in accordance with Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, to state whether, in all material respects, those controls were suitably designed and operated effectively throughout the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Limitations of controls

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

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

Limitation of use

This report has been prepared for the members of the Association in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report by any persons or users other than the members of the Association, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Director

10 September 2026

CERTIFICATION

Southern and Hills Local Government Association

Annual Financial Statements

For the Year ending 30 June 2026

CERTIFICATION OF AUDITOR INDEPENDENCE

To be best of our knowledge and belief, we confirm that for the purposes of the audit of the Southern and Hills Local Government Association for the year ended 30 June 2026, the Association's Auditor, Galpins, 3 Kensington Road, Norwood SA 5067, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* made under that Act.

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



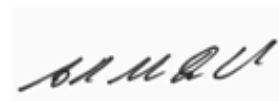
Lisa Teburea
SHLGA Executive Officer



Mayor Moira Jenkins
SHLGA President



Jade Ballantine
Acting CEO, Adelaide Hills Council



Andrew MacDonald
CEO, Alexandrina Council



Daryl Buckingham
CEO, Kangaroo Island Council



Andrew Stuart
CEO, Mount Barker District Council



Graham Pathuis
Interim CEO, City of Victor Harbor



Nathan Cunningham
CEO, District Council of Yankalilla

CERTIFICATION

Galpins

Accountants, Auditors
& Business Consultants



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

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SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2026

Statement by Auditor

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2026, I have maintained my independence in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code), 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) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

9 September 2026

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