

## Constituent Councils



## Murraylands and Riverland Local Government Association

# 2018-19 Annual Report



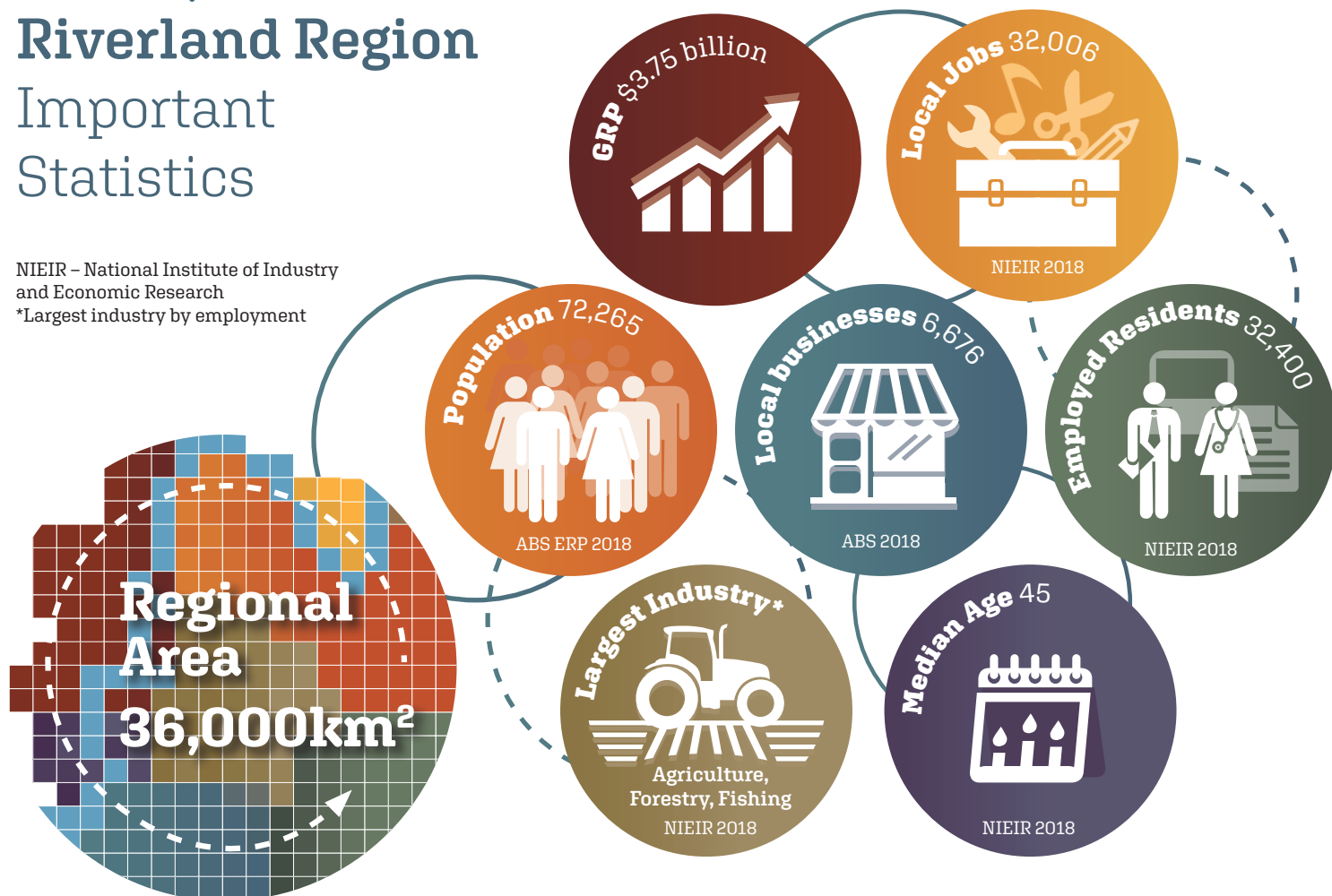
The Murraylands and Riverland  
Local Government Association

A regional subsidiary established under the  
*Local Government Act 1999*

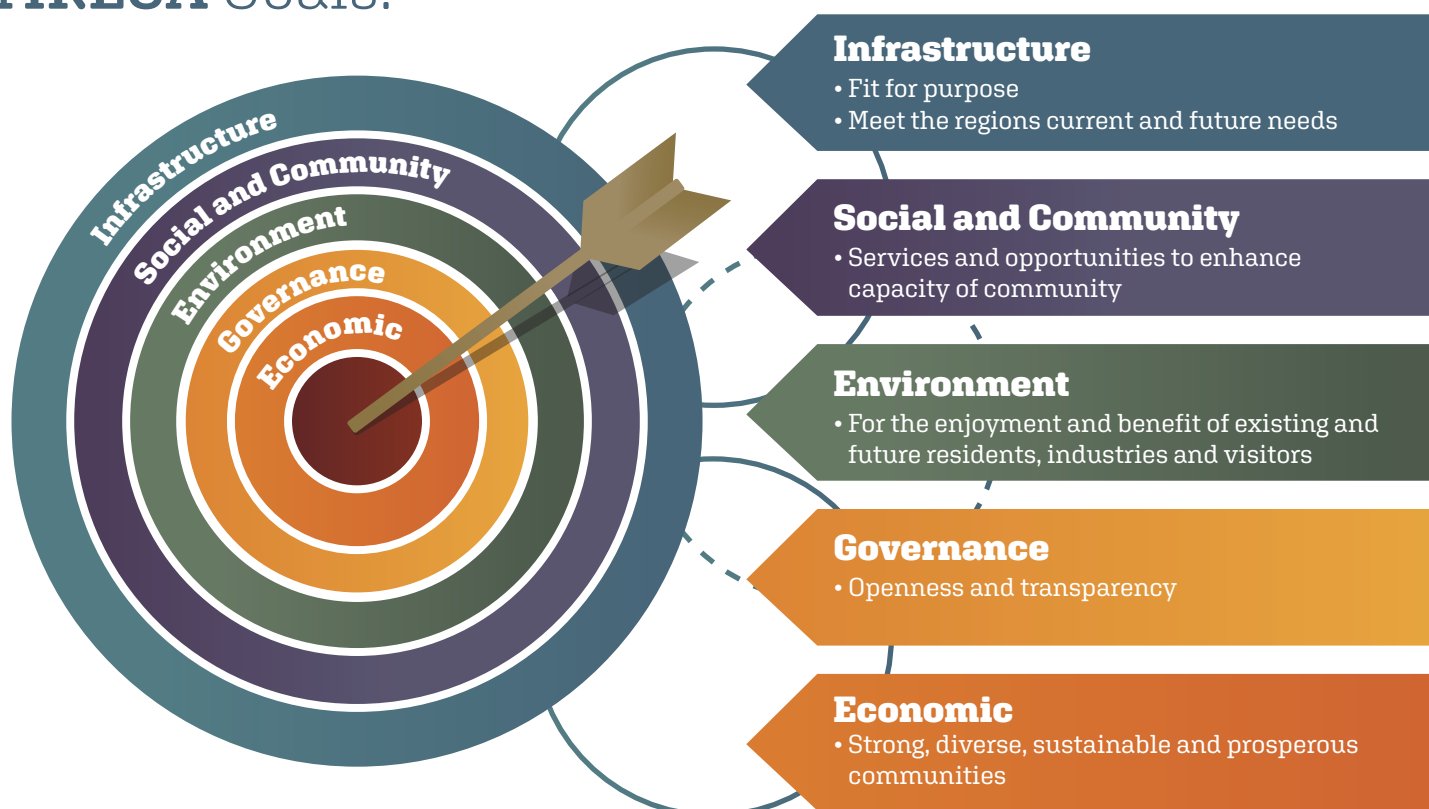
# Murraylands Riverland Region

## Important Statistics

NIEIR – National Institute of Industry  
and Economic Research  
\*Largest industry by employment



## MRLGA Goals:





## PRESIDENT'S REPORT

I am pleased to present and commend to you the 2018/2019 Murraylands and Riverland Local Government Association (MRLGA) Annual Report.

The report reflects a period of change within the Association.

From a personal perspective, I thank my fellow board members, the principal members of the constituent councils, for entrusting me with the role of President of the MRLGA at the Special General Meeting of the Association held on 5 December 2018.

I consider it a privilege to serve in the capacity of President of the MRLGA and acknowledge the leadership of the immediate past President, Mayor Dave Burgess whose commitment to the Association, regional South Australia and indeed the State has exemplified and promoted the very best of local government. I thank Mayor Burgess for his continued support as the Deputy President.

Of course, the significance of the Special General Meeting on 5 December 2018 was reflective of the fact that Local Government elections were held across the state in November 2018. It would be remiss of me not to thank former Mayors Kevin Burdett and Neville Jaensch for their contributions to MRLGA over numerous years; I note their continued commitment to the District Council of Karoonda East Murray and Coorong District Council respectively.

Importantly, change also presents an opportunity to welcome new people, embrace new perspectives and consider new approaches. On that note, MRLGA welcomed Mayor Caroline Phillips, District Council Karoonda East Murray and Mayor Paul Simmons, Coorong District Council.

The Board of the MRLGA provides oversight and the strategic impetus to a program of works delivered by a number of committees. The committees provide a platform for the combine capabilities that exists across our constituent councils to work collaboratively in the interests of the region. It is important to recognise the MRLGA CEO Network Group and the work they undertook throughout the year in providing advice on the review of the MRLGA Charter and the Subscription Model. Likewise, the outputs of the MRLGA Regional Transport and Asset Committee and the MRLGA Regional Public Health and Wellbeing Committee have allowed the Board to review, prioritise and access resources and implement projects on behalf of region.

MRLGA remains committed to the Murray River Alliance (MRA) which informally aligns the interests of the Association with those of Regional Development Australia Murraylands and Riverland and the South Australian Murray Darling Basin Natural Resource Management Board. Through involvement with the MRA, aspects of development planning and land use zones along the length of the Murray River in South Australia were identified as areas where a cohesive and coordinated regional response could unlock economic potential. Work in this area has placed the councils along the Murray River in a strong position to be able to respond to the South Australian Government's draft Planning and Design codes.

In reflecting on the change and the work MRLGA has undertaken in the last 12 months, it is clear that the local government sector must continue to articulate the key role we play in serving our communities, elevate our priorities and campaign for the necessary support required from other tiers of government. Collectively we need to focus the effective management of our resources and assets and provide the necessary services to create an environment for healthy and prosperous communities and associated industry.

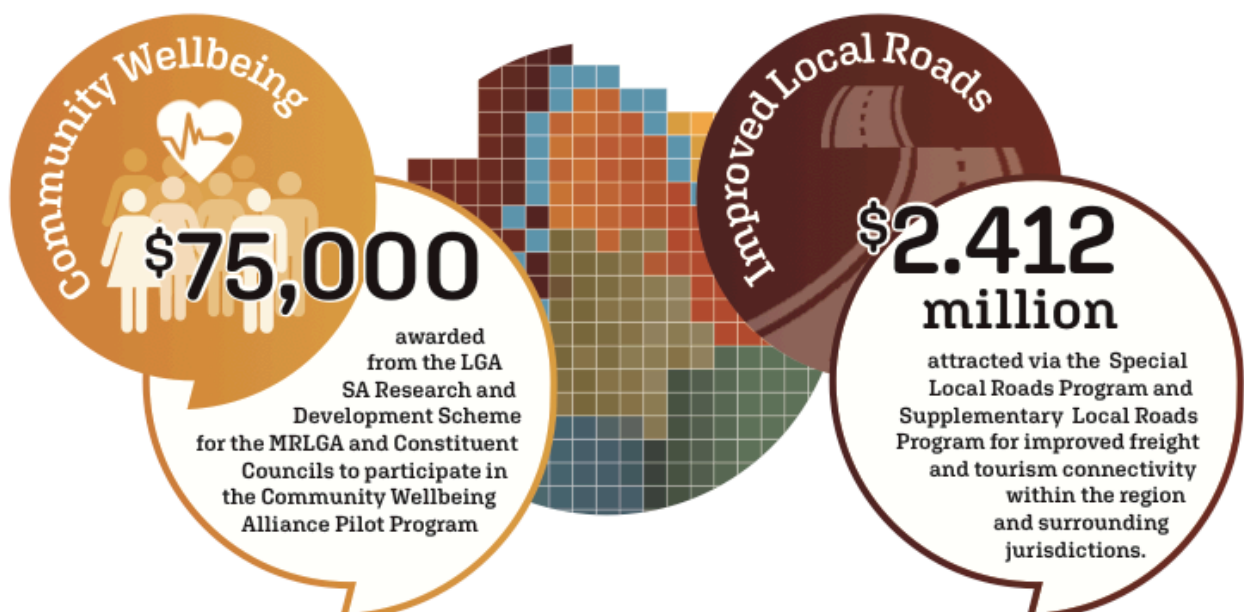
As much as we plan and as hard as we work, often there are circumstances that are beyond our control that can have a significant influence on our economies and communities. While we endeavour to build our capability and capacity in order to develop greater resilience as a region, the impacts of drought can leave us searching for answers nonetheless. In difficult times, strong partnerships often come to the fore and in this instance, it is important that we acknowledge the support received from the Australian Government via the Drought Communities Programme. The benefits of the two governments working together to assist local communities are immense and MRLGA are grateful for the opportunities it afforded.

In wrapping up, I finish where I started by noting that it has been a year of change. I wish to thank Peter Bond who, under contract to the Association, provided executive services and undertook the role of Chief Executive Officer (CEO). Peter's final day with the Association was 28 June 2019. The strategic leadership he offered has been a real asset to MRLGA and he leaves the organisation well positioned for continuing success. I wish Peter all the best in his future endeavours and thank him in particular for the structural change he initiated during his tenure.

Furthermore, it gives me a great deal of pleasure, on behalf of the Board, to welcome Tim Smythe to the MRLGA and wish him all the best in the role of CEO.

Mayor Peter R. Hunt, Berri Barmera Council  
President MRGLA

## Key Outcomes



## MRLGA BOARD AND DEPUTY MEMBERS

MRLGA Principal Members			
From December 2018		From July 2018 to November 2018	
*Mayor Peter Hunt (President)	Berri Barmera Council	Mayor Peter Hunt (Deputy President)	Berri Barmera Council
Mayor Paul Simmons	Coorong District Council	Mayor Neville Jaensch	Coorong District Council
Mayor Caroline Phillips	District Council Karoonda East Murray	Mayor Kevin Burdett	District Council Karoonda East Murray
Mayor Leon Stasinowsky	District Council Loxton Waikerie	Mayor Leon Stasinowsky	District Council Loxton Waikerie
*Mayor Dave Burgess (Deputy President)	Mid Murray Council	Mayor Dave Burgess (President)	Mid Murray Council
Mayor Neil Martinson	Renmark Paringa Council	Mayor Neil Martinson	Renmark Paringa Council
Mayor Brenton Lewis	Rural City of Murray Bridge	Mayor Brenton Lewis	Rural City of Murray Bridge
Mayor Andrew Grieger	Southern Mallee District Council	Mayor Andrew Grieger	Southern Mallee District Council

*\*Member of the South Australian Regional Organisation of Councils; a committee of LGASA*

MRLGA Deputy Members			
From December 2018		From July 2018 to November 2018	
Cr Rhonda Centofanti	Berri Barmera Council	Cr Andrew Kassebaum	Berri Barmera Council
Cr Ella Winnall	Berri Barmera Council		
Cr Jeff Arthor	Coorong District Council		
Cr Sharon Bland	Coorong District Council	Cr Sharon Bland	Coorong District Council
Cr Yvonne Smith	District Council Karoonda East Murray	Cr Caroline Phillips	District Council Karoonda East Murray
Cr Trevor Norton	District Council Loxton Waikerie	Cr Michael Vowles	District Council Loxton Waikerie
Cr Kevin Myers	Mid Murray Council	Cr Kelly Kuhn	Mid Murray Council
Cr Peter Hunter	Renmark Paringa Council	Cr Peter Hunter	Renmark Paringa Council
Cr Fred Toogood	Rural City of Murray Bridge	Cr Theo Weinmann	Rural City of Murray Bridge
Cr Neville Pfeiffer	Southern Mallee District Council	Cr Neville Pfeiffer	Southern Mallee District Council



# MRLGA ACTIVITY

## MRLGA Board:

The MRLGA Board exists as a means to coordinate activities of local government at a regional level related to environment, economic and social development with the objective of achieving continual improvement for the benefit of the communities of its constituent councils. The Board held meetings in:

- 11 July 2018
- 12 October 2018
- 5 December 2018
- 30 January 2019
- 5 April 2019
- 24 May 2019

Meetings of the Board provide opportunity to hear from guest speakers on strategically aligned matters. Presentations on the following were delivered to the Board:

- Purpose, activities and initiatives of Small Business Commissioner
- LGA Constitutional review and ancillary documents
- SA Power Networks – vegetation management near powerlines
- Progress of the National Carp Control Program
- Brand SA initiatives
- SA MDB NRMB – Murray Darling Water Infrastructure Program

## MRLGA COMMITTEES

### CEO Network

The CEO Network is an advisory group that participates in priority identification for MRLGA Board and provides tactical advice on the pursuit of strategic outputs.

Meetings were held in:

- August 2018
- January 2019
- March 2019
- May 2019

The CEO Network provided a forum for the following presentations:

- LG Emergency Management Operations
- Office of Industry Advocate – Industry Participation Frameworks

The CEO Network have also played a significant role in developing recommendations to the MRLGA Board on:

- The MRLGA Subscription Model
- Charter review
- Policy development and review

MRLGA CEO Network Group	
Current 30 June 2019	
Karyn Burton	Berri Barmera Council
David Mosel (Acting)	Coorong District Council
Matthew Morgan	District Council Karoonda East Murray
David Beaton	District Council Loxton Waikerie
Ben Scales	Mid Murray Council
Tony Siviour	Renmark Paringa Council
Michael Sedgman	Rural City of Murray Bridge
Jason Taylor	Southern Mallee District Council

## Regional Transport and Assets (RTA)

The RTA brings together council infrastructure managers and provides tactical and strategic response to infrastructure development and maintenance across the regions. Meetings of RTA were held in:

- October 2018
- February 2019
- April 2019

Outcomes derived from the activity of the RTA include:

- Identification and prioritisation of council managed regionally significant roads for investment via the Special Local Roads Program
- Development of project scope for the Regional Road Hierarchy Project
- Refinement of the freight intersection risk spreadsheet as part of the ongoing High-Risk Intersection Upgrade Project
- Updating Regional Road Action Plan
- Partial review of the 2030 Regional Transport Plan

MRLGA Regional Transport & Assets Committee	
Current 30 June 2019	
Mayor Neil Martinson Chair	
Mayor Peter Hunt (ex officio)	
Mayor Paul Simmons	
Harry Du	Berri Barmera Council
Dave Degraney	Berri Barmera Council
David Mosel	Coorong District Council
Jarrold Manuel	District Council Karoonda East Murray
Greg Perry	District Council Loxton Waikerie
Dom Perre (proxy)	District Council Loxton Waikerie
David Hassett	Mid Murray Council
Russell Pilbeam (proxy)	Mid Murray Council
Tim Tol	Renmark Paringa Council
Geoff Meaney (proxy)	Renmark Paringa Council
Heather Barclay	Rural City of Murray Bridge
Matt James (proxy)	Rural City of Murray Bridge
Mathew Sherman	Southern Mallee District Council

## Regional Public Health and Wellbeing Committee

The MRLGA Regional Public Health and Wellbeing Plan Committee comprises of Staff and Senior Management representatives from each Council including but not limited to Environmental Health, Community Development, Infrastructure and Governance. The Committee held meetings in:

- 7 September 2018
- 30 January 2019
- 18 March 2019

Outputs from the Regional Public Health and Wellbeing Committee include:

- Murraylands and Riverland Regional Public Health Plan Report for the period 1 July 2016 to 30 June 2018 submitted pursuant to Section 52 of the *SA Public Health Act 2011*

MRLGA Regional Public Health & Wellbeing Committee	
Current 30 June 2019	
Mayor Peter Hunt (ex officio)	
Rebecca Burton	Berri Barmera Council
Andrew Haigh	Berri Barmera Council
Myles Sommers	Berri Barmera Council
Cr Sharon Bland	Coorong District Council
Caroline Thomas	Coorong District Council
Dara Frankel	District Council Loxton Waikerie
Cheryl Pedler	District Council Loxton Waikerie
Thomas McKellar	Mid Murray Council
Kirsty Morgan	Mid Murray Council
Julie Savill	Mid Murray Council
Stephanie Coughlin	Renmark Paringa Council
Katina Nikas	Renmark Paringa Council
Jeremy Byrnes	Rural City of Murray Bridge
Reg Budarick	Rural City of Murray Bridge
Geoff Parsons	Rural City of Murray Bridge
Shilo Wyatt	Southern Mallee District Council

- Expression of Interest successfully submitted to the LGA SA Research and Development Scheme and \$75,000 awarded for the region to participate in the Community Wellbeing Alliance Pilot project
- Advocacy, via correspondence to Hon Stephen Wade MLC, Minister for Health and Wellbeing, for the continuation of the Local Government Public Health Program

### Social Issues Report

Emily Morgan, Pull Bang Enterprises, was engaged to conduct a survey of member Councils and prepared a "Social Issues Report" for the region. The final report uses quantitative and qualitative data to describe the headline social issues for each Council as well as describing current Local Government programs, projects and services employed to address these issues.

## ALLIED ORGANISATIONS

### Murray River Alliance (MRA)

MRA is an informal alliance between Regional Development Australia Murraylands and Riverland, South Australian Murray Darling Basin Natural Resource Management Board and MRLGA. Meetings were held on:

- 21 September 2018
- 16 November 2018
- 8 March 2019
- 5 April 2019

### Outcomes from the Murray River Alliance

- URPS (Urban and Regional Planning Solutions) were commissioned (RDA) and delivered the Murray River Corridor Policies -Transitioning to the Planning and Design Code project.
  - The project also looked a case study from Victoria where an Economic Growth Zone was established in the La Trobe Valley
- URPS have been commissioned (MRLGA) to deliver stage 2 the Murray River Corridor Policies project.
  - Myles Somers (BBC) and Geoff Parsons (RCMB) are the project leads
  - The project will position the region to respond to the South Australian Government's draft Planning and Design codes

### Murray Darling Association (MDA)

The MRLGA provides a forum by which Constituent Councils can consider the activities of the MDA and coordinate responses to issues as they arise. MRLGA also provides a conduit by which oversight of appropriate local government representation can occur on the region 5 and 6 regional committees to the MDA. Key to the MRLGA involvement is a desire to see continued commitment to delivering the Murray Darling Basin Plan in full and on time.

The MRLGA CEO in fulfilling his duties to the Advisory Committee attended a Strategic Planning Workshop in Echuca/Moama from 1 to 4 February 2019 and the Annual Conference in Leeton on 29 and 30 August 2018.



## Regional Organisation Executive Officers

The Regional Organisations Executive Officers from the six regional local government associations have formed a Working Group. Meetings were held on:

- 22 August 2018
- 4 December 2018
- 20 March 2019
- 15 May 2019

Outputs have included:

- Contribution to the SAROC Business Plan and the Agenda
- A stronger working relationship with the LGA Management team
- Provision of regional intelligence to sector wide issues
- Advocating on behalf of the regions
- Identification of priority issues



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The Murraylands and Riverland  
Local Government Association

# **Murray and Mallee Local Government Association**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 June 2019**

# **Murray and Mallee Local Government Association**

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**Murray and Mallee Local Government Association**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
M&M LGA Contributions	<b>2</b>	143,436	158,665
Other Grants & Contributions	<b>2</b>	367,234	257,518
Interest Revenue	<b>2</b>	9,961	4,689
<b>Total Revenue</b>		<b>520,631</b>	<b>420,872</b>
<b>Operating Expenses</b>	<b>3</b>	(190,302)	(277,094)
<b>Surplus (deficit) for the year</b>		<b>330,329</b>	<b>143,778</b>
<b>Total Comprehensive Profit (Loss)</b>		<b>330,329</b>	<b>143,778</b>

*The accompanying Notes form part of these financial statements*

**Murray and Mallee Local Government Association**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	902,359	435,692
Trade and other receivables	5	750	148,706
<b>Total Current Assets</b>		<u>903,109</u>	<u>584,398</u>
<b>Total Assets</b>		<u><b>903,109</b></u>	<u><b>584,398</b></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	2,766	14,384
<b>Total Current Liabilities</b>		<u>2,766</u>	<u>14,384</u>
<b>Total Liabilities</b>		<u>2,766</u>	<u>14,384</u>
<b>Net Assets</b>		<u><b>900,343</b></u>	<u><b>570,014</b></u>
<b>Member's Funds</b>			
Unspent funds reserve	7	-	-
Accumulated surplus	7	900,343	570,014
<b>Total Members Funds</b>		<u><b>900,343</b></u>	<u><b>570,014</b></u>

*The accompanying Notes form part of these financial statements*



**Murray and Mallee Local Government Association**

**STATEMENT OF CHANGES IN MEMBER'S FUNDS  
AS AT 30 JUNE 2019**

	Note	Accumulated Surplus \$	Unspent funds reserve \$	Total \$
<b>2019</b>				
Balance at the beginning of the year	<b>7</b>	570,014	-	570,014
Surplus for the year		330,329	-	330,329
Balance at the end of year		<u>900,343</u>	<u>-</u>	<u>900,343</u>
<b>2018</b>				
Balance at the beginning of the year	<b>7</b>	502,456	(76,220)	426,236
Surplus for the year		143,778	-	143,778
Transfers		(76,220)	76,220	-
Balance at the end of year		<u>570,014</u>	<u>-</u>	<u>570,014</u>

*The accompanying Notes form part of these financial statements*

**Murray and Mallee Local Government Association**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash from operating activities</b>			
Receipts from grants		367,234	257,518
Receipts from members		143,436	158,665
Interest received		9,961	4,689
less: increase/(decrease) in debtors		147,956	(136,977)
Payments to suppliers		(190,302)	(277,094)
add: increase/(decrease) in payables		(11,618)	2,066
<b>Net cash provided from operating activities</b>	<b>8</b>	<b>466,667</b>	<b>8,867</b>
<b>Net increase in cash held</b>		466,667	8,867
Cash at beginning of financial year		435,692	426,825
<b>Cash at end of financial year</b>	<b>4</b>	<b>902,359</b>	<b>435,692</b>

*The accompanying Notes form part of these financial statements*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1: Statement of Significant Accounting Policies**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act (1999). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the members of the committee.

**(a) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed (subject to materiality).

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(c) Income taxes**

The activities of the Association are exempt from taxation under the Income Tax Assessment Act 1997.

**(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**(e) Financial Instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instruments are classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**(i) *Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(ii) *Financial liabilities***

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

## **Murray and Mallee Local Government Association**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

#### **Impairment**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial re-organisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### **Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(f) Impairment of assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.



## **Murray and Mallee Local Government Association**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### **(g) Revenue**

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

#### **(h) Trade and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **(i) Trade and other receivables**

These include amounts due from the ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **(j) Critical Accounting Estimates and Judgments**

##### **Key estimates**

##### *(i) Impairment - general*

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Murray Mallee Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 2: Revenue**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>M&amp;M LGA Contributions</b>		
Berri Barmera	21,319	20,860
Coorong District Council	14,120	13,816
DC of Karoonda East Murray	7,476	7,315
DC of Loxton Waikerie	27,566	22,080
Mid Murray Council	16,889	16,525
The Rural City of Murray Bridge	28,241	27,633
Renmark Paringa Council	18,965	18,557
Southern Mallee DC	8,860	8,669
SLRP surcharge	-	23,210
	<hr/> <b>143,436</b>	<hr/> <b>158,665</b>
<b>Other Grants &amp; Contributions</b>		
Other Grants	-	3,450
Rubble Royalties	194,542	164,291
Regional Capacity Buildings	40,692	39,777
Community Wellbeing Alliance	75,000	-
Out Reach Program Income	25,000	50,000
Riverland Social Indicators	32,000	50,000
	<hr/> <b>367,234</b>	<hr/> <b>307,518</b>
<b>Interest Revenue</b>	<b>9,961</b>	<b>4,689</b>
<b>Total Revenue</b>	<hr/> <b>520,631</b> <hr/>	<hr/> <b>470,872</b> <hr/>

**Murray Mallee Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 3: Other Operating Expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Allowances	2,862	3,000
Accounting software	50	276
Audit fees	3,050	3,300
Executive officer contract services	121,393	115,520
Insurance	4,325	7,208
Meeting expenses	4,615	2,221
President's travelling allowance	-	649
SAROC regional meeting costs	-	1,115
Sundry expenses	-	1,200
SLRP Priority Setting	-	14,099
Administration Support	18,273	10,680
Legal Charter Review	490	-
CEO Succession Planning / Recruitment	7,302	-
MDB Social Planning Forum	2,618	-
<b>Project Expenditure:</b>		
Discretionary Projects	1,192	18,700
Strategic ICT Projects	-	15,000
Commodity Route Assessment	-	16,960
Murray River Alliance Projects	-	11,022
Regional Freight Movement Study	-	29,735
Regional Waste Strategy	900	2,500
Sport and Recreation Facilities Needs Review	-	23,909
Riverland Social Indicators	23,232	-
	<b>190,302</b>	<b>277,094</b>

**Note 4: Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	100	100
Cash at bank	136,180	279,473
LGFA Investment	766,080	156,119
	<b>902,359</b>	<b>435,692</b>

**Note 5: Trade and other receivables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade Debtors	-	140,408
GST receivable / (payable)	-	8,298
Prepayments	750	-
	<b>750</b>	<b>148,706</b>

**Note 6: Trade and other Payables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Payables	-	14,384
GST receivable / (payable)	2,766	-
	<b>2,766</b>	<b>14,384</b>

**Murray and Mallee Local Government Association**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 7: Accumulated Surplus**

	<b>2019</b>	<b>2018</b>
	\$	\$
Opening Balance	<b>570,014</b>	426,236
Surplus for the year	<b>330,329</b>	143,778
	<b>900,343</b>	<b>570,014</b>
<b>Net transfers (to)/from reserves:</b>		
Unspent funds reserve	-	76,220
<b>Net transfers (to)/from accumulated surplus:</b>	-	(76,220)
<b>Net Transfers (to)/from reserves</b>	<u>-</u>	<u>-</u>
<b>Balance at year end</b>	<u><b>900,343</b></u>	<u><b>570,014</b></u>

*Note : reserves no longer used in relation to unspent funds as a result of change in accounting treatment.*

**Note 8: Reconciliation of cash flow from operations with surplus for year**

	<b>2019</b>	<b>2018</b>
	\$	\$
Net surplus for the year	<b>330,329</b>	<b>143,778</b>
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	<b>147,956</b>	<b>(136,978)</b>
Increase/(decrease) in trade and other payables	<u><b>(11,618)</b></u>	<u><b>2,067</b></u>
<b>Net cash provided from operating activities</b>	<u><b>466,667</b></u>	<u><b>8,867</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

## Note 9: Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

### Categorisation of Financial instruments

	Note	2019		2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities</b>		\$	\$	\$	\$
Trade and other Payables	6	-	-	14,384	14,384
<b>Total Financial liabilities</b>		-	-	<b>14,384</b>	<b>14,384</b>
<b>Financial Assets</b>					
Cash and cash equivalents	4	902,360	902,360	435,692	435,692
Trade and other Receivables	5	-	-	140,408	140,408
<b>Total Financial Assets</b>		<b>902,360</b>	<b>902,360</b>	<b>435,692</b>	<b>435,692</b>

Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables.

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments of a nature whose carrying value is equal to fair value.

#### i. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the association securing trade and other receivables.

#### ii. Liquidity Risk

Liquidity risk arises from the possibility that the association might have difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

iii. **Market Risk**

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitivities to the association's exposure to changes in interest rates.

	2019		2018	
	% Weighted Average Interest rate	Carrying Value	% Weighted Average Interest rate	Carrying Value
<b>Financial liabilities</b>	\$	\$	\$	\$
Trade and other Payables	0%	-	0%	14,384
<b>Financial Assets</b>				
Cash at bank	0%	136,180	0%	279,473
LGFA Investment	1.8%	766,080	1.8%	156,119
Cash on hand	0%	100	0%	100

## Note 10: Contingent Liabilities and Contingent Assets

At 30 June 2019, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

## Note 11: Capital Commitments

At 30 June 2019, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

## Note 12: Events after the end of the reporting period

Since the reporting date, there have been no events that would materially impact on the contents of this report.

## Murray and Mallee Local Government Association

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### Note 13: Economic Dependence

Murray and Mallee Local Government Association is dependent on the Local Councils within its jurisdiction and other funding bodies for the majority of its revenue used to operate the business. At the date of this report, the Committee believe that the Local Councils and other bodies will continue to fund the Association.

#### Note 14: Related Party Transactions

The total remuneration paid to key management personnel of Murray & Mallee Local Government Association Incorporated during the year was as follows:

	2019
	\$
Chief Executive Officer Contract Services	<b>121,393</b>

Key management personnel include the CEO and President.

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

#### Note 15: Capital Management

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

#### Note 16: Association details

The registered office of the association and principal place of business is;

Murray and Mallee Local Government Association  
PO Box 236  
Victor Harbor SA 5211

## Murray and Mallee Local Government Association

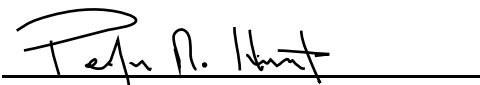
### STATEMENT BY MEMBERS FOR THE YEAR ENDED 30 JUNE 2019

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

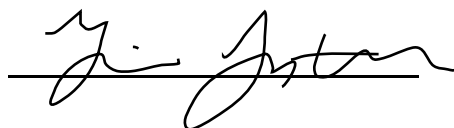
1. Presents a true and fair view of the financial position of Murray and Mallee Local Government Association as at 30 June 2019 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Murray and Mallee Local Government Association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



**Name:** Mayor Peter Hunt  
**Position:** President  
**Date:** 11/10/19



**Name:** Tim Smythe  
**Position:** Chief Executive  
**Date:** 11/10/19