

ANNUAL REPORT

2024/25



View of the Flinders Ranges, Port Pirie



Jessica Turner,
Adnyamathanha, Nukunu, Kokatha people, South Australia
Thalpiri Yarta, 2017
Acrylic on Canvas

Thalpiri Yarta is the Nukunu name for Port Pirie. The Port Pirie region was once used as a central location for all Aboriginal groups and tribes from around the area to meet and come together to trade materials and other products. In my painting I have incorporated Port Pirie and the Pirie River and interpreted how the area was used as a meeting place. We also believe the hills and region was created by the Great Dreamtime Serpent “Akurra”, which I have also included to represent the Hills. I also wanted to include the “Yirityi”, Crab, which is also well known in Port Pirie Coastal area.

Jessica Turner, 2017

Port Pirie Regional Council acknowledges the Nukunu People as the Traditional Owners and Custodians of the lands of the Port Pirie township and northern regions, and the Narungga People to the southwest.

We honour their ongoing cultural and spiritual connections to Country and pay our respects to their Elders past and present. We respect the cultural heritage, customs, and beliefs of all Indigenous peoples and extend that respect to other Aboriginal and Torres Strait Islander people who live in the region.

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MAYOR & CEO MESSAGE

We are pleased to present the Port Pirie Regional Council Annual Report for 2024/25, which highlights the significant achievements and progress made by Council throughout the year.

Building on the momentum of recent years, Council continued to capitalise on the post-COVID economic stimulus packages provided by the Australian and South Australian Governments. These initiatives enabled the delivery of an expanded capital works program over the past two years. The 2024/25 financial year marked one of our most productive periods to date, with 109 projects managed by Council comprising both completed and multi-year projects each contributing tangible benefits to our community and region.

During the year, Council also completed a comprehensive review of the Community Plan, our ten-year strategic document that sets out the vision and direction for the future of the Port Pirie region. The review involved extensive consultation with community groups, local agencies, town development associations and the wider community, ensuring that the updated Plan truly reflects the aspirations, needs and priorities of our residents.

Key Highlights for 2024/25

Port Pirie Riverbank Precinct Redevelopment

The transformation of Solomontown Beach and the foreshore progressed through Stage 1 of the Port Pirie Riverbank Precinct redevelopment. Youth and family-friendly features, including a basketball half-court and a nature-inspired playground, were added to enhance recreational opportunities. Stage 1 is due for completion in 2025/26 and will include a beach shelter and deck, inclusive carousel, promenade path and levee.

Port Pirie Greening Program

Funded by the Government of South Australia, the Port Pirie Greening Program is part of a four-year, \$5.7 million partnership designed to reduce lead exposure pathways, beautify the community and increase biodiversity. The staged redevelopment of the Phoenix Park Wetlands commenced, serving as the location for the second Port Pirie Work Hardening Program, where participants gained qualifications and work experience while contributing to on-ground improvements. Tree planting, landscaping and the installation of Water Sensitive Urban Design (WSUD) infrastructure began along The Terrace (between Memorial Drive and Mary Elie Street). Once completed in 2025/26, this work will have a lasting visual and environmental impact. Council also hosted its second Native Plant Giveaway, distributing 3,000 free native seedlings to residents reinforcing that greening begins at home and supporting broader community-led environmental efforts.

Investment in Road Networks

Council maintained a strong focus on both its sealed and unsealed road networks, investing approximately \$6 million during 2024/25. This included an additional \$1 million for unsealed road sheeting and a further \$1 million for the sealed road network, particularly targeting shoulder widening and safety improvements.

Port Pirie Shared Walking and Cycling Path – Three Chain Road

The Shared Pathway Extension saw the walking and cycling trail extended along Three Chain Road between Simpson Road and Afford Road. Works included the construction of new kerb ramps, asphalt pathways and rubber kerbing along the service lanes.

Bowman Park, Lawrie Park and Nelshaby Reservoir Management Plans

Following extensive engagement with the Crystal Brook and Nelshaby communities, Council prepared draft Management Plans for Bowman Park, Lawrie Park and Nelshaby Reservoir. These plans outline opportunities for environmental, recreational, commercial and tourism development. Community consultation has now concluded, and Council looks forward to finalising the plans and implementing the first stage of actions in the coming financial year.

Development of Pirie Voices

A particularly proud milestone was the establishment of Pirie Voices a pioneering, community-led initiative developed in partnership with local agencies to address generational disadvantage and foster inclusion. Unlike traditional service models, Pirie Voices empowers residents to drive the social, economic and cultural changes that matter most to them. This collaboration involves Council and key partners including Preventive Health SA, Uniting Country SA, Workforce Australia – Local Jobs, The Country Counsellor, Nyrstar, Centacare Catholic Country SA, Department of Human Services, Country Arts SA and Workskil Australia. This initiative exemplifies Council's commitment to wellbeing a cornerstone of our Community Plan by strengthening community connections and resilience.

Whether through the delivery of new infrastructure, improvements to community access, or initiatives that build social and environmental wellbeing, Council is proud to contribute towards creating a healthier, stronger and more vibrant region.

We thank our community, partners and staff for their continued support and collaboration, and look forward to another year of achievement and progress in 2025/26.



Leon Stephens
Mayor



Chris Davey
Chief Executive Officer



Eureka Hotel, Redhill

PORT PIRIE REGIONAL COUNCIL PROFILE

Port Pirie Regional Council is the gateway to the Southern Flinders Ranges, a region emerging as a premier nature tourism destination following a \$10 million investment from the State and Federal Governments. Located approximately 220 kilometres north of Adelaide on the Upper Spencer Gulf, Port Pirie is the largest city in South Australia’s Mid North Region and serves as a vital regional service centre.

The local economy is driven by Nyrstar Port Pirie, a world-class multi-metals recovery plant producing lead, silver and sulphuric acid, supported by a strong agricultural base of cereal crops, sheep and cattle. The Council area has an estimated population of 17,333 and manages extensive community assets including 332 km of sealed roads, 67 parks and reserves, 22 playgrounds, 11 jetties and boat ramps, and 9 sporting facilities.

Environmental sustainability is a key focus, with a 1,560-tonne reduction in landfill waste achieved in 2024/25 through the continuing Food Organics Garden Organics (FOGO) initiative. The community’s waste pledge program now includes 237 households, reflecting strong local commitment to sustainability.

Formed in September 2024 after community consultation, the Youth Reference Group completed a 1.5-day development workshop in October supported with funding from the Commissioner for Children and Young People. The group held its first meeting in November, adopted the name Youth Engagement Panel (YEP), and now has 8 members. Since forming, YEP has met six times and supported various community initiatives such as Youth Week’s Barbie and Bites movie night and the Smelters Picnic.

Port Pirie’s history of civic leadership dates to 1876, when the Corporate Town of Port Pirie was proclaimed. The city became South Australia’s first provincial city in 1953, and the present-day Council reflects more than a century of regional growth and amalgamation.



\$37.5m Total Revenue

332km Sealed Roads

22 Playgrounds

67 Parks and Reserves

6 Bridges

11 Jetties, Boat Ramps
& Pontoons

9 Sports Assets

17,333 Total Population

16,555 Visitors to the
Visitor Information Centre

52,630 Visitors to Both
the Port Pirie and Crystal Brook
Libraries

1,560 Tonnes Reduction
in Waste Sent to Landfill

8790 Household Waste
Management Bins

16 New Households
Take the Pledge (to reduce waste)
237 Total

6 Waste Transfer
Station Tours



Waterfront, Port Pirie

VISION, MISSION & VALUES

Vision: To nurture a thriving, sustainable and inclusive regional community.

Mission: To deliver effective governance and high-quality services that enhance wellbeing, growth and prosperity.

Values: Integrity, Accountability, Respect, Innovation and Sustainability.

STRATEGIC FRAMEWORK

Council's direction is guided by the Strategic Plan, Annual Business Plan and Long-Term Financial Plan, focusing on:

- Economic resilience and local employment
- Sustainable infrastructure and liveability
- Environmental leadership and waste reduction
- Tourism and cultural development
- Transparent and financially responsible governance

REPRESENTATION QUOTA

Elections

Council elections are held every four years with all positions being declared vacant before election day. The Council election was conducted in November 2022. The next election will be held in November 2026.

Elector Representations

An Elector Representation Review was gazetted on 25 November 2021. The name of the Council remained the same, Port Pirie Regional Council.

The representation review was conducted during 2021 with a determination proposed that the Council will not change from its current composition and structure. A report based on this outcome went to the Ordinary Meeting of Council on 21 September 2021. It is therefore effective as of the determination of the November 2022 Council Elections.

The elector ratio for the Council is 1:1328 based on the total number of members on Council (10), not the total number of Councillors.

When carrying out an 'elector representation review' the Council must:
by public notice:

- i inform the public of the preparation of the representation options paper; and
- ii invite interested persons to make written submissions to the council on the subject of the review within a period specified by the council (being a period of at least 6 weeks); and publish a copy of the notice in a newspaper circulating within its area.

Consultation on the current review expired on 27 August 2021 without receiving any representations. The next elector representation review is due in 2028.

Council	Members	Electors	Elector Ratio
Port Pirie	10	13,286	1:1328
Copper Coast	10	12,983	1:1298
Light Council	10	12,140	1:1214
Murray Bridge	10	16,436	1:1643
Port Lincoln	10	11,121	1:1121
Victor Harbor	10	14,120	1:1412
Whyalla	10	16,079	1:1607



Bowman Park, Crystal Brook

ELECTED MEMBERS

Council operates under the *Local Government Act 1999* and comprises the ten elected members, including the Mayor, supported by Section 41 Committees and a skilled Executive Team led by the Chief Executive Officer.



*Leon Stephens
Mayor*



*Cr Alan Zubrinich,
Deputy Mayor 2025*



*Cr Kendall Jackson,
Deputy Mayor 2024*



Cr Ali Gulin



Cr Grant Petagna



Cr Jack Keain



Cr Jade Joyce



Cr Joby Connor



Cr Leeanne Peters



Cr Michael Hopgood

OVERVIEW OF SECTION 41 COMMITTEES

Under *Section 41 of the LG Act 1999 (SA)*, a Council may establish committees to assist in carrying out its functions, ensuring informed decision-making and community engagement. These committees provide advice, oversight, and recommendations to the Council on specific matters such as asset management, arts and culture, and executive performance.

Each committee operates under formal terms of reference approved by Council, with defined objectives, membership, and meeting procedures. Elected Members are appointed as representatives, and some committees include community members or independent specialists to enhance transparency and expertise.

Each Elected Member is a member of one or more Council Section 41 Committees.

Council Section 41 Committees		
Committee Name	Purpose	Key Responsibilities
Asset Management Committee	Improve financial sustainability through best-practice asset management	Develop asset plans; ensure sustainability; recommend lifecycle improvements
Audit and Risk Management Committee (ARMC)	Assist Council in risk management and compliance with financial reporting and audits	Oversee risk initiatives; monitor reporting; advise Council and CEO; meet during audit cycles
CEO Performance Review Committee	Assess CEO performance per employment contract	Conduct reviews; ensure alignment; recommend development
Chief Executive Officer Selection Panel	To perform the functions of a selection panel pursuant to Section 98 of the Act	Undertake the selection process for the position of Chief Executive Officer of the Port Pirie Regional Council
Public Arts and Cultural Advisory Committee	Encourage inclusion of diverse art and culture in Council projects	Advise on art installations; promote engagement; support heritage projects
Targeted Lead Abatement Program (TLAP) Consultative Committee	Act as communication channel between TLAP and Council; foster collaboration	Review reports; provide discussion forum; explore collaboration options

ELECTED MEMBER REPRESENTATION

Elected Members represent Council on Section 41 Committees, Local Government and regional bodies.

Elected Member Committee Representation	
Asset Management Committee	Mayor Leon Stephens (ex-officio), Cr Michael Hopgood (chair), Cr Joby Connor, Cr Jack Keain, Cr Jade Joyce
CEO Performance Review Committee	Mayor Leon Stephens, Cr Kendall Jackson, Cr Alan Zubrinich, Cr Leeanne Peters (chair)
Chief Executive Officer Selection Panel	Mayor Leon Stephens (chair), Cr Michael Hopgood, Cr Leeanne Peters
Public Arts & Culture Advisory Committee	Mayor Leon Stephens (ex-officio), Cr Kendall Jackson (chair 2024), Cr Michael Hopgood, Cr Ali Gulin (chair 2025), Cr Jade Joyce
Targeted Lead Abatement Program (TLAP) Consultative Committee	Mayor Leon Stephens (chair), Cr Alan Zubrinich, Cr Joby Connor, Cr Grant Petagna, Cr Kendall Jackson
Audit & Risk Management Committee	Mayor Leon Stephens (ex-officio), Cr Leeanne Peters, Cr Grant Petagna
Northern & Yorke Local Government Association (NYLGA)	Mayor Leon Stephens
NYLGA – CWMS Advisory Committee	Mayor Leon Stephens
NYLGA Road Transport Infrastructure Advisory Committee	Mayor Leon Stephens
LGA Board of Directors	Mayor Leon Stephens (rep for SGC / SAROC)
LG Transport Advisory Panel	Mayor Leon Stephens (chair) (LGA Board rep)
LGA Audit & Risk Committee	Mayor Leon Stephens (proxy) (LGA Board rep)
LGA CWMS Management Committee	Mayor Leon Stephens (chair) (LGA Board rep)
Local Government Association of SA	Mayor Leon Stephens
Local Government Finance Authority	Mayor Leon Stephens
SA Boating Facility Advisory Committee (SABFAC)	Mayor Leon Stephens
South Australian Regional Organisation of Councils	Mayor Leon Stephens (rep for SGC)
Spencer Gulf Cities (Upper Spencer Gulf Common Purpose Group)	Mayor Leon Stephens (Deputy Mayor – proxy for Mayor)
Port Pirie Health Advisory Council	Mayor Leon Stephens, Cr Kendall Jackson
TLAP Board	Mayor Leon Stephens
Business Port Pirie	Mayor Leon Stephens
Uni Hub Local Government Advisory Committee	Mayor Leon Stephens

Elected Member Committee Representation (continued)	
Crystal Brook Community Association	Cr Ali Gulin
Koolunga Development Association	Cr Jack Keain
Redhill Development Association	Cr Jack Keain
Pirie Districts Development Association	Cr Alan Zubrinich
Australia Day Committee	Cr Alan Zubrinich
Crystal Brook Community Childcare Committee	Cr Kendall Jackson, Cr Ali Gulin
Local Drug Action Team	Cr Joby Connor
Sporting Association of Port Pirie	Cr Michael Hopgood
Domestic Violence Action Group	Cr Jack Keain
Flinders Mobile Library Committee	Cr Jack Keain, Cr Grant Petagna
Suicide Prevention Network	Cr Alan Zubrinich
Access Inclusion Reference Group	Mayor Leon Stephens, Cr Alan Zubrinich (chair), Cr Jade Joyce, Cr Leeanne Peters, Cr Grant Petagna

Committee Allowances		
Name of Committee	Committee Member	Allowance Received (ex GST) 2024-25
Audit & Risk Management Committee	Allan Rushbrook	\$5,218.50
Audit & Risk Management Committee	Deb Brokenshire	\$4,413.20
Audit & Risk Management Committee	Lee Kirchner	\$2,799.50
Upper Spencer Gulf Regional Assessment Panel	Assessment Manager retainer	\$12,500.00
Total		\$24,931.20



Domestic Violence Action Group, Red Bench Unveiling, Port Pirie

COUNCIL MEMBER TRAINING & ALLOWANCES

Council Member Training & Development	
Council Member(s)	Training
Mayor Leon Stephens, Deputy Mayor Kendall Jackson, Cr Joby Connor, Cr Ali Gulin, Cr Michael Hopgood, Cr Jack Keain, Cr Grant Petagna, Cr Leeanne Peters, Deputy Mayor Alan Zubrinich	Mandatory Mid-Term Elected Member Training
Mayor Leon Stephens	LGA SA Conference and AGM LGA SA Conference and OGM LGA Mayors Forum LGA CWMS Conference SATC Regional Forum, Flinders Ranges & Outback
Cr Leeanne Peters	RAI Workshop – Engaging with Your Community

Council Member Allowances	
Council Member	Allowance received (ex GST) 2024-25
Mayor Leon Stephens	\$79,585
Councillor Alan Zubrinich	\$22,487
Councillor Kendall Jackson	\$18,344
Councillor Joby Connor	\$16,636
Councillor Ali Gulin	\$17,127
Councillor Michael Hopgood	\$21,477
Councillor Jade Joyce	\$17,146
Councillor Jack Keain	\$17,559
Councillor Grant Petagna	\$16,636
Councillor Leeanne Peters	\$16,728
TOTAL	\$243,325

COUNCIL MEMBER TRAVEL

Pursuant to *Regulation 35(2) of the LG Regulations 2013 (SA)*, which requires councils to include in their annual report a statement of any interstate or overseas travel undertaken and related expenditures by members of the council, it is noted that no interstate or overseas travel was conducted by any member of Council during 2024/25.

GIFTS TO COUNCIL MEMBERS

Pursuant to *Regulation 35(2) of the LG Regulations 2013 (SA)*, which requires councils to include in their annual report a statement of any gifts over the value of \$50 received by Council Members, it is noted that no gifts of this value or above were received by any member of Council during 2024/25.

MEMBER BEHAVIOUR

Policies (for Elected Members):

- Council (Elected Members) Allowances & Benefits (support) Policy
- Elected Members Training Development Policy
- Elected Members Communications & Records Management Policy
- Elected Members Computer, Internet & Information Policy
- Council (Elected Members) Induction Policy
- Elected Member Portfolio Policy
- Mayor Seeking Legal Advice Policy
- Supplementary Election Policy
- Elected Member Behavioural Management (Complaint Handling) Policy

The requirements of the Elected Member Behavioural Management (Complaint Handling) Policy commenced operation on 17 November 2022 (*section 75F of the LG Act 1999*).

This section requires all councils to consider, within six months after the conclusion of each periodic election, whether it should adopt a Behavioural Support Policy (or policies) to support appropriate behaviour by members of the council.

The Council, at the Ordinary Meeting on 23 May 2023 (item 15.4.4: OM220/23) considered developing a Behavioural Support Policy and resolved as follows:

MOVED Cr Jackson SECONDED Cr Zubrinich

That Council, having considered the requirements of section 75F of the Local Government Act 1999, not adopt a Behavioural Support Policy at this time.

STRATEGIC MANAGEMENT PLANS

The 2024/25 Business Plan and Budget, including annual priorities, were designed to reflect and advance the aspirations of the outgoing 2020-2025 Plan while supporting a smooth transition to the new long-term Community (Strategic) Plan framework. This approach ensured continuity of service delivery and progress toward the Council's vision.

- **Community Strategic Plan 2020-2025**, which guided Council's activities during the first half of the financial year; and
- **Community Strategic Plan 2025-2035**, which came into effect on 1 January 2025 following an extensive development and consultation process.

The 2020-25 Plan, which ended on 31 December 2024, focused on consolidating the core Themes of Our Community, Our Economy; Our Lifestyle; and Our Leadership which were underpinned by 13 goals and 50 key projects.

In contrast, the 2025-35 Plan, which commenced on 1 January 2025, introduces 11 new key projects aimed at improving communication, increasing youth participation, strengthening community resilience, promoting equitable service access, developing multipurpose facilities, and enhancing workforce capacity.

Council's current Community Strategic Plan contains 61 Measures of Success. 24 of these key projects were delivered or were considered on track for delivery at the end of this financial year. An additional 4 key actions which are currently under way are scheduled for completion over the next 1 to 2 years.

PERFORMANCE AGAINST ANNUAL BUSINESS PLAN & BUDGET

An increased capacity to the sealed and unsealed road network and the continuation of both the Riverfront Precinct works and the Port Pirie Greening program, were key focuses of the 2024/25 Budget, which provided a total operating and capital expenditure of \$56.4 million.

The Council was presented with monthly financial reports that show the status of the Budget as the year progressed, with these being available in Council Meeting Agendas on Council's website.

Of the capital projects listed in the Annual Business Plan, 62% were completed in the financial year. The remainder were proposed to be carried forward into the 2025/26 Budget as either deferred or they remained Works in Progress at the end of the financial year.

Highlights from the 2024-25 Annual Business Plan and Budget include:

- Continued partnership with TLAP for lead reduction initiatives.
- Monitored financial performance for achievement consistently within the indicator target ranges.
- Continued to support the community through the provision of Library and Community services and events and programs.
- Continuation of the Port Pirie Greening Program, specifically the Water Urban Sensitive Design base works on the Terrace, and the Riverfront Precinct works with the removal and base works for the replacement of Solomontown Foreshore deck.
- Actively represented the region regarding the ongoing drought and the impact that this has on the community as a whole.

Towards the end of 2024/25, Council adopted its 2025/26 Budget and Annual Business Plan. Council is set to complete several major multi-year projects in 2025/26, including the Port Pirie Riverbank Precinct redevelopment and the Greening program.

Council is now facing a financial deficit due to increased depreciation costs from asset revaluations, it has determined as grant funded capital projects are completed the focus for the 2025/26 budget will shift its attention to maintain and renew existing assets rather than initiating new large scale developments unless they provide a substantial benefit to the development of the region, while also acknowledging the economic challenges faced by the community due to drought and rising living costs.

In addition to infrastructure renewals, such as road network renewals and maintenance, the Council is prioritising community engagement and inclusion. Projects like Pirie Voices aim to tackle generational disadvantage through local partnerships and youth involvement is being encouraged through the Youth Engagement Panel. The Council has also committed to work closely with local Community Development Associations to advance rural town priorities and explore opportunities for tourism and investment.

Further information on Council's Community and Business planning can be found online:

<https://www.pirie.sa.gov.au/document-library/strategic-documents/strategic-plan>

<https://www.pirie.sa.gov.au/document-library/financial-documents/business-plan>



Native plant giveaway with Costa, Port Pirie



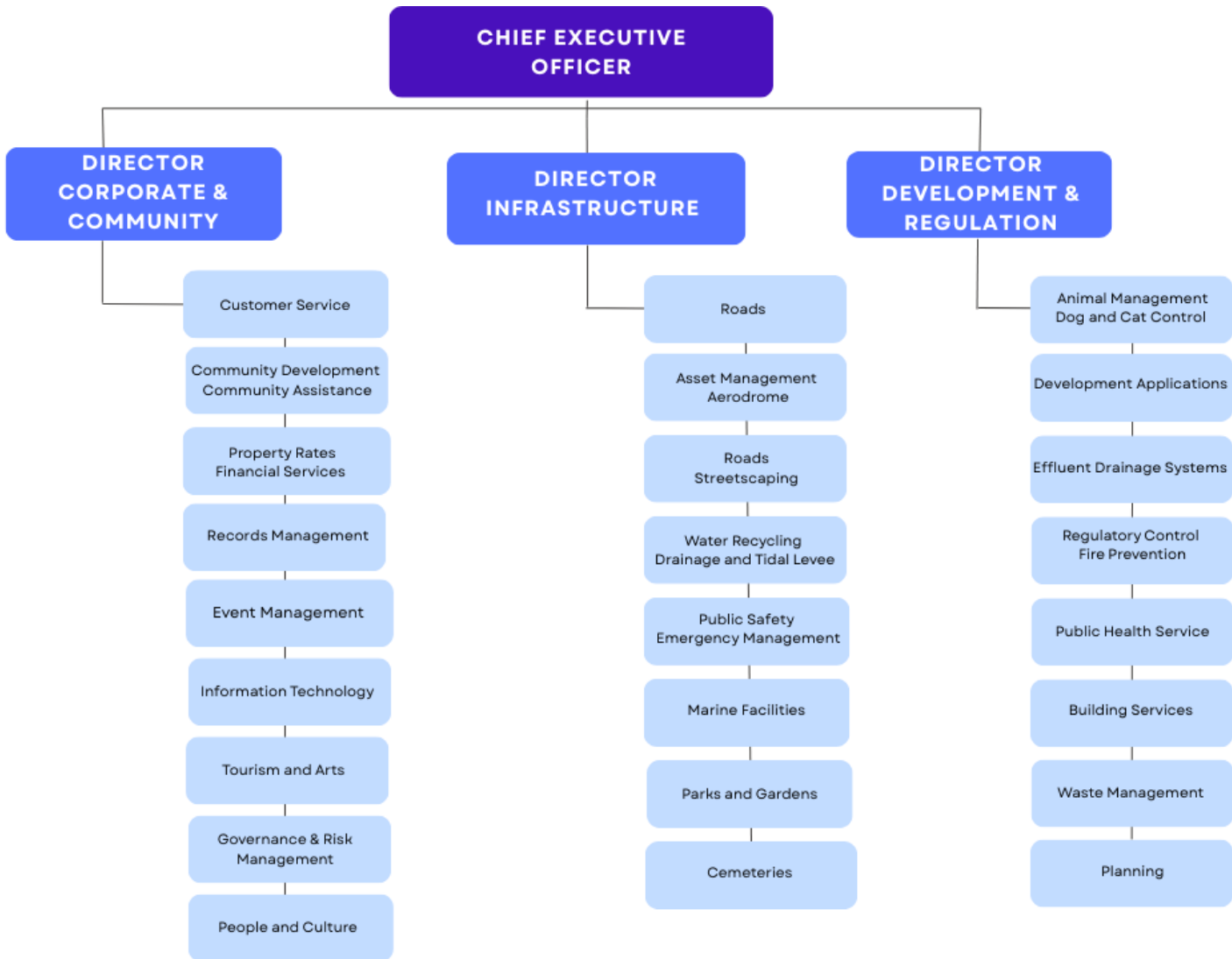
Bunyip Park, Koolunga

ADMINISTRATION

As at 30 June 2025, Council employed 100 full-time equivalent employees, providing essential community services and infrastructure. Council promotes a safe, inclusive and skilled workforce committed to innovation and continuous improvement.

Administration's role is to implement the decisions of Council using employees and contractors. Council has 100 employees (77 full-time, 19 part-time and 4 casual) and an operating budget of approximately \$33.3 million that is used to meet the needs of its residents, including maintaining total assets to the value of \$337 million.

Council appoints a Chief Executive Officer to manage the day-to-day business of the Council. To support the Chief Executive Officer in delivering and managing Council business, the structure has the following three Directorates which have been assigned accountability for a range of functions:



Executive Management Team			
	Female	Male	Salary Range
CEO	-	1	\$248,000
Directors (2025)	1	2	\$155,000 to \$165,000
Directors (2025)	-	3	

The table above highlights the base salary for the Executive Management Team, with salaries for these Officers being in accordance with the applicable Award and Council's Enterprise Agreement. Members receive the superannuation guarantee and access to other benefits which may include the provision of a Council motor vehicle as part of their employment package (including all Fringe Benefits Tax expenses paid by Council) and telephone expenses.

EMPLOYEE TRAVEL

Pursuant to *Regulation 35(2) of the LG Regulations 2013 (SA)*, which requires councils to include in their annual report a statement of any interstate or overseas travel undertaken and related expenditures by members of the council, it is noted that no interstate or overseas travel was conducted by any employee of Council during 2024/25.

GIFTS TO EMPLOYEES

Pursuant to *Regulation 35(2) of the LG Regulations 2013 (SA)*, which requires councils to include in their annual report a statement of any gifts over the value of \$50 received by Council Members, it is noted that no gifts of this value or above were received by any employee of Council during 2024/25.

LEGAL COSTS

In accordance with *Section 131 of the LG Act 1999 (SA)*, Councils are required to include in their annual report a statement of any legal costs incurred during the report period. During the financial year 2024/25, the Council incurred \$251,000 in legal costs. Details on these costs can be found in the financial statements included in this report.

INTERNAL REVIEW OF COUNCIL DECISIONS

Council is committed to transparent decision-making processes and to providing a fair and objective procedure for the review of decisions made by Council. A formal Complaints Policy & Procedures has been adopted as part of a customer-focused approach to service delivery.

Many issues arise during the course of the Council activities and most complaints are initially made verbally by telephone, face-to-face or in writing to a Council Officer, or to an Elected Member. All complaints will be logged into the customer service system and referred to the relevant Council staff member. On most occasions this results in the matter being resolved satisfactorily.

The Complaints Policy & Procedures provides a framework to Council for receiving and responding to complaints from the public as a means of improving customer service in all areas of Council's operations. This policy aims to ensure that issues which are the subject of complaints are addressed promptly, when possible, to the satisfaction of the complainant, and in a manner which, as far as possible, ensures that such issues will not be the subject of future similar complaints.

The Internal Review of Decisions Policy provides a structural process for the review of Council decisions. Any person may ask for a review of a decision that has affected them.

During 2024/25 there was one review completed. The requested review was received from a member of the public for a review of Council's decision on the "Town of Port Headland Covid-19 Vaccination Resolution" which was made on 18 December 2024 (OM 403/24).

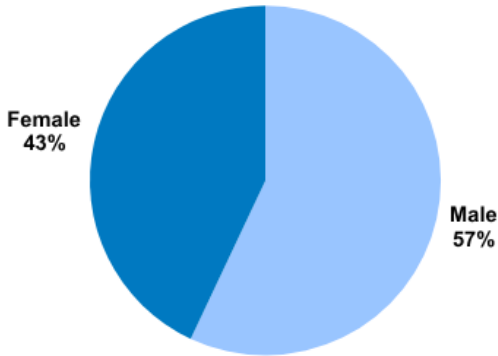
Legal advice was sought for the review of the Council decision. The cost of this advice to Council was \$2,165 (including GST).

The following outcomes of the review were reported to Council on 28 May 2025, that "based on that (legal) advice refuse to consider the Review Application":

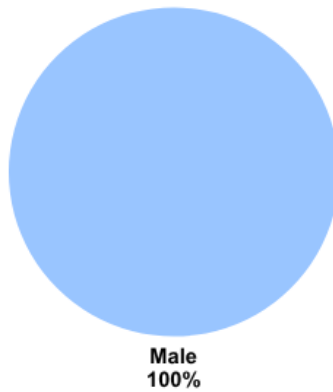
- as the Applicant does not have sufficient interest in the Decision, on the basis that the Applicant's interest in the Decision is not over and above the interest of an ordinary resident/ elector in the Council's area; and
- there is no basis for the Council to exercise its discretion to consider the Review Application, notwithstanding that the Applicant does not have sufficient interest in the Decision.

Staff Demographics 2024-2025

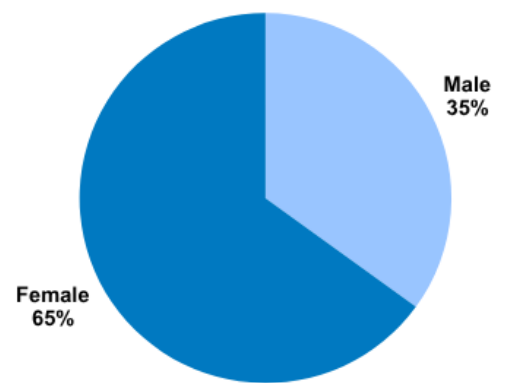
Total Workforce



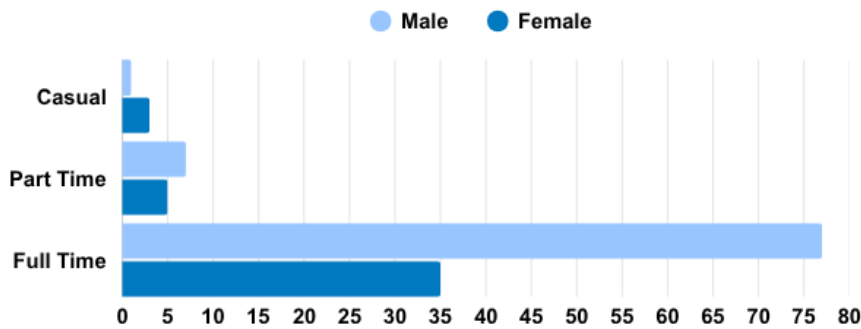
Outside Workforce



Inside Workforce

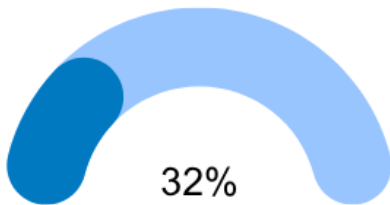


**Employment Type
By Headcount**

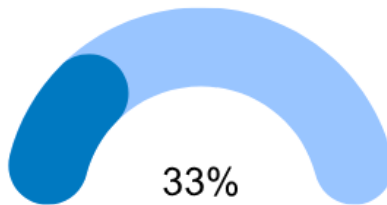


Gender Data Reporting

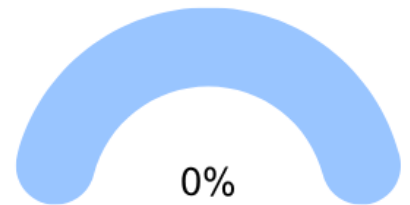
The Local Government Association of South Australia, in partnership with LG Professionals SA has recognised that reporting on gender data is an important element of workforce planning. It can help inform gender equality initiatives and deliver better outcomes.



32% of the Organisational Leadership Team identify as female.
(July 2024 - June 2025)



33% of the Executive Management Team identify as female.
(July - December 2024)



0% of the Executive Management Team identify as female.
(January - June 2025)

COMMUNITY LAND REGISTER & COUNCIL FACILITIES

Under *Section 207 of the LG Act*, a Council must keep a register of all community land in its area and must contain the information required by the *LG Regulations 2013*. Council's Community Land Register lists 218 individual sections of community land which are separated into 10 categories. The Register is available to the public on the Council website.

During the 2024/25 financial year there were 16 confidential reports and 50 key project/asset management activities related to community land. A list of these reports can be found in [Appendix 1](#).

LOCAL NUISANCE & LITTER CONTROL

The dumping of household rubbish within the Council area is a recurring problem with 89 reports of illegal dumping (decrease of 11%) received during 2024/25, resulting in costs to the community associated with cleanup and disposal.

During the 2024/25 period, 2 expiation notices were issued for illegal dumping and 1 ongoing prosecution case against a local business.

CONFIDENTIALITY ORDERS

Council's Code of Practice for Access to Council and Committee Meetings and Documents lists the requirements of *Section 90(3) of the LG Act 1999*, which enables the Council and a Committee of Council to receive, discuss or consider matters in confidence.

During 2024/25 the Council and its Committees considered 72 items in confidence, including:

- orders for 43 of the 72 confidential items were released
- 1 was partially released
- 29 orders remained in confidence (including the above that was partially released)

Under *Section 91(7) of the LG Act 1999*, a total of 119 orders remained operative at the end of 2024/25. These orders can be found in [Appendix 2](#).

FREEDOM OF INFORMATION

Council's Freedom of Information (FOI) Statement is reviewed and published on Council's website every 12 months, in accordance with the requirements of *Section 9 (1)(a) of the FOI Act 1991*. The *FOI Act* serves to promote openness and transparency in governance and accountability, and Council welcomes enquiries.

Residents and non-residents can access information from Council by lodging a Freedom of Information (FOI) request.

In the period 1 July 2024 to 30 June 2025, 12 requests for access under Section 13 of the FOI Act 1991 were processed. Full access was granted for none of the requests, partial access for 9 requests, and access denied for 3 requests due to the documents requested being exempt from FOI on the grounds of legal professional privilege.

DELEGATIONS

Councils have certain functions and duties which they must perform, and certain powers which they may exercise, pursuant to the *LG Act 1999* as well as a range of other Acts. In most cases, the relevant Acts grant these obligations and powers directly to the Council. As it is not practical nor efficient for the Council as a body of Elected Members to perform the many operational activities that are required in the day-to-day administration of the Council's roles and functions, Section 44 of the *LG Act 1999* allows a Council to formally delegate many of its powers and functions (within certain stated conditions and exemptions) to the Chief Executive Officer, who may then sub-delegate these powers and functions to other responsible staff.

NATIONAL COMPETITION POLICY

Principles of competitive neutrality ensure that any net competitive advantage a government or local government agency may hold due to its public ownership does not unfairly impact private businesses operating in the same market. Council maintains a mechanism for managing competitive neutrality concerns, and in 2024/25 no complaints were received in relation to these principles.



Memorial Park, Port Pirie



Marina, Port Pirie

REGISTERS & POLICIES

Access to Council Documents

The following documents are available for public inspection at the Council Offices and via the Council website free of charge. Members of the public may purchase copies of these documents for the fee prescribed by Council in the Register of Fees and Charges.

Registers & Documents	
Annual Report	Development Application Register – refer to Planning SA on-line portal
Annual Financial Statements	Public Art Strategy 2021-2025
Assessment (Rates) Book	Disability Access & Inclusion Plan 2020-2024
Asset Management Plan 2021-2031	Growth Plan 2017 (Aspire 2027)
Asset Management Strategy 2021-2031	Long Term Financial Plan 2025-2034
Business Plan and Budget	Parks Strategy
Dog & Cat Management Plan 2024-2029	Rating Strategy (2018-2028)
Code of Practice for Meeting Procedures	Section 41 Committee Agendas & Minutes
Elected Members Code of Conduct	Register of Elected Members - Allowances & Benefits
Complaint Handling Procedure	Register of Interests – Council Members
Code of Conduct for Council Members	Register of Authorised Persons
Code of Practice for Access to Council & Committee Meetings and Documents	Register of Community Land
Code of Conduct for Council Employees	Register of Confidential Items
Code of Conduct for Volunteers	Register of Delegations
Council Agenda & Minutes	Register of Fees and Charges
Council By-laws	Register of Public Roads
Council Policies	Register of Remuneration, Salaries & Benefits (staff)
Community (Strategic) Plan	Register of Gifts and Benefits – Council Members and Employees
Community Land Management Plan	

LIST OF POLICIES

Policies	
Asset Accounting Policy	Lease & Licence Policy
Asset Management Policy	LGA Council Member Behavioural Management (Complaint Handling) Policy
Clean Air Policy	Library Internet Access Policy
Business Plan & Budget Framework Policy	Library Membership & Conditions of use Policy
Caretaker Policy	Major Projects Prudential Management Policy
Community Assistance Policy	Mayor Seeking Legal Advice Policy
Community Bus Policy	Media Policy
Community Engagement Policy	Memorials Policy
Complaints Policy	Order Making Policy
Council Logo Policy	Outdoor Trading & Dining Policy
Council Members Allowances and Support Policy	Private Works Policy
Council Members Training Development Policy	Procurement Policy
CWMS Customer Service Policy	Projection Policy
Debt Collection Policy	Public Art Policy
Disposal of Land and Assets Policy	Public Interests Disclosure Policy
Elected Member Portfolio Policy	Rates Policy
Elected Members Communications & Records Management Policy	Related Party Disclosure Reporting Policy
Elected Members Computer, Internet & Information Policy	Requests For Services Policy
Elected Members Induction Policy	Risk Management Policy
Emergency Management Policy	Risk Management Framework
Enforcement Policy	Road Infrastructure Cost Sharing Policy
Financial Hardship (CWMS) Policy	Safe Environment for Children Policy
Flag Policy	Selection of Road Names & Public Places
Food Act Inspection Fees Policy	Signs Policy
Fraud, Corruption, Misconduct & Maladministration Prevention Policy	Supplementary Election Policy
Funding Policy	Trees Policy
Grants Policy	Vandalism – Rewards for Information Policy
Interaction of Development Act, State Records Act & FOI Act with Copyright Act Policy	Volunteers Policy
Internal Control Policy	
Internal Review of Council Decisions Policy	

AUDIT & RISK OVERSIGHT

The Audit and Risk Management Committee (ARMC) assists the Council in the conduct of its responsibilities for the management of risk, related to financial reporting and audit initiatives, the internal control system and the audit functions and to act as a source of advice to the Council and CEO in relation to these matters. The ARMC meets at appropriate times in the reporting and audit cycle and otherwise as required. The annual report from ARMC can be found in [Appendix 4](#).

SUBSIDIARIES

Council has not formed any single Council subsidiary pursuant to *Section 42 of the LG Act 1999*. However, Council is a member of the following one regional subsidiary pursuant to *Section 43 of the LG Act*:

- The Northern and Yorke Local Government Association (the NYLGA, formally known as the Legatus Group) is made up of 15 councils, including Port Pirie Regional Council. The purpose of the NYLGA is to undertake the co-ordination, advocacy and representation of the constituent councils at a regional level. NYLGA meets regularly to undertake coordinating, advocacy and representational roles on behalf of the members at a regional level.
- Council makes an annual contribution to NYLGA. This contribution was \$14,740 (GST incl) for 2024/25.

The report of activities and the annual financial statements of the Subsidiary are the responsibility of the body, and therefore the financial activities are not included in the accounts of this Council. The Report received from the subsidiary (NYLGA) is included in this Annual Report.

FINANCIAL & BUDGETARY INFORMATION

AUDITORS

Section 128(9) of the LG Act 1999 requires information to be presented in Councils Annual Report that concerns Councils Auditors.

In the 2024/25 financial year, Council spent \$14,600 on remuneration to its contracted Auditors, \$7,800 for the preparation of financial statements and \$6,500 for conducting the interim audit.

CREDIT CARD EXPENDITURE

In accordance with the LG Act and Regulation 35(2), LG Regulations 2013 (SA), The total credit card expenditure across Council for the 2024/25 financial year was \$64,880, relating to budgeted operating purchases.

PROCUREMENT & COST-EFFECTIVENESS

Within this section of the Governance Report there are the following sub-headings:

- Competitive Service Delivery
- Financial Plan & Budget
- National Competition Policy
- Procurement Policy for Goods & Services

Competitive Service Delivery

Council’s Procurement Policy sets out how it will acquire goods and services. It includes contracting out, competitive tendering and purchasing locally and ensures probity and accountability whilst obtaining value for money.

The majority of services are delivered utilising Council assets and staff resources (refer to table below).

Cost of Services	
Employee Costs	\$9 139 000
Contractual Services, Materials & Other	\$14 121 000
Total Expenditure (excluding capital, including depreciation)	\$33 291 000

Financial Plan & Budget

The Long Term Financial Plan 2026-2035 was adopted by Council on 5 August 2025 and was reviewed in 2025. The purpose of the Plan is to achieve the following objectives:

Financial Sustainability

To achieve and maintain financial sustainability, where the planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Asset Management

To ensure that the maintenance and renewal of existing assets is fairly and equitably funded by current and future ratepayers and that new assets are acquired and constructed in accordance with community demand and affordability.

Borrowing

To utilise debt in a responsible manner, to finance short term works which will provide for future efficiencies or major long term infrastructure.

Rates

To raise Rate income in a responsible and equitable manner, that will be used to fund the long term needs of the community. As a principle source of income, it is important to maintain a consistent and predictable rating structure.

Performance Indicators

To set targets and monitor progress towards the three key financial performance indicators of Asset Sustainability Ratio, Net Financial Liabilities Ratio and the Asset Sustainability Ratio.

The 2023/24 Budget was formally reviewed on three occasions during the year. Several projects were added and removed during the year and adjustments made accordingly.

Adherence to Budget is monitored on a quarterly basis through the reporting mechanisms of the Audit Committee.

Procurement Policy for Goods & Services

Council has adopted several policies to ensure a fair, transparent and accountable process in the purchase of goods and services. Council aims to ensure that its methods are cost effective and represent best value for money.

In fulfilling Council's purchasing role, the following principles apply:

- Open and fair competition
- Value for money
- Probity, accountability and transparency
- Effective management of the end to end procurement lifecycle
- Identification and management of risks
- Environmental protection
- Encouragement of competitive local business and industry
- Ensuring compliance with relevant Legislation

Generally, Council will adopt the following approaches:

- Direct Purchasing
- Quotations (Informal)
- Request for Quotations (RFQ)
- Requests for Expressions of Interest (REOI)
- Request for Tenders
- Panel Contracts
- Strategic Alliances



New playground at Solomontown foreshore, Port Pirie

COMMUNITY ASSETS & LAND MANAGEMENT

Council has a responsibility to care for and preserve all the land within its control. *The LG Act* places obligations and responsibilities on Council's Community Land for the current and future benefit of the community. *Section 196 of the LG Act* stipulates the requirement for Council to prepare and adopt a Community Land Management Plan and Register. The Plan and register were adopted by Council on the 23 January 2019.

COMMUNITY LAND MANAGEMENT PLANS

The Community Land Management Plan describes the location and purpose of all Community Land and how Council intends to manage the land. Where Council is the Custodian of Community Land owned by the Crown, it is held in trust and Council must ensure the Plan stipulates ownership details, including any provisions that may apply, i.e. dedicated recreational purpose. As far as practicable, the Plan must be consistent with other Council plans and policies regarding conservation, development and use of the land.

The *LG Act* does not require separate management plans for each piece of community land. Council has therefore grouped the land under categories so that it can be managed efficiently and effectively. The parcels of land grouped together under these categories have very similar purposes, objectives, management policies, performance targets and measures.



Memorial Rotunda, Crystal Brook



Nelshaby Reserve, Nelshaby

The following community land related confidential council reports and implemented projects occurred in 2024/25

CB = Crystal Brook; **PP** = Port Pirie; **PPAB** = Port Pirie Administration Building

Category 1 - Community Parks:

1. Memorial Park PP:
 - i. Construction of new toilets 100% complete.
 - ii. Construction of new BBQ shelter: 100% complete.
 - iii. Refurbishment of selected internal pathways: 100% complete.
2. Bowman Park, CB:
 - i. Restaurant septic upgrade 10% complete (to be performed in 2025/26).
 - ii. garden wall stonework and new retaining wall near BBQ shelter: 100% complete.
3. Phoenix Park, PP. Wetland project: tender of works, works to occur 2025/26: 30% complete.
4. Solomontown Beach: Foreshore Master Plan Stage 1 including construction of deck, promenade paths, basketball court, nature inspired playground: 50% complete.
5. Solomontown PP Greening Project: 50% complete.
6. Park Structures Renewal Program: Memorial Oval, PP; Warnertown Park; Bunyip septic tank: 100% complete.
7. Napperby & Woodward Park Playgrounds: Replacement of existing BBQ's: 100% complete.
8. Port Pirie Dog Park: Installation of new fencing for large dog enclosure: 100% complete.
9. Port Pirie Skate Park:
 - i. Confidential report to Council: RFT for contract 2024/25 – Port Pirie Skate Park Refurbishment (OMC 18/12/2024. 16.1).
 - ii. Repairs to skate park concrete surfaces: 100% complete.

Category 2 - Sports Grounds:

1. PP: Senate Road Sports Complex: Relocation of 2 shelters for soccer & cricket: 100% complete.
2. PP: Courts Sports Project: Concept details for multi sport facility: 100% complete.
3. PP: Memorial Oval:

- i. Confidential reports to Council: Update on Negotiations - Expression of Interest Memorial Oval (OMC 18/12/2024 & 28/05/2025. 16.3).
 - ii. Replacement of goals backing nets, improvements to timekeepers box and goal sleeves for Pirie West Oval: 100% complete.
4. Warnertown Oval: Repairs to water pipe: 100% complete.

Category 3 – Road Reserves:

- 1. PP. Greening Port Pirie: Water Sensitive Urban Design infrastructure - storage, treatment and use of runoff to water-efficient landscaping along roads/ footpaths etc: 60% complete.
- 2. PP. Solomontown: sealing footpaths program: 50% complete.
- 3. PP Three Chain Road, Southern Extension: construction of on-road cycle/ walking pathway (Simpson Road to Afford Road): 100% complete.
- 4. PP: new kerbing as identified in the Asset Management Plan: 100% complete.
- 5. PP: kerb replacement program associated with annual reseal program: 100% complete.
- 6. PP. Confidential Report to Council: The Terrace WSUD Civil and Landscape Works (OMC 22/01/2025. 16.2).
- 7. CB. Mais Terrace/ Mercowie Road intersection: improve safety of intersection. Construction work required: 100% complete.
- 8. CB, Goulter & Huddleston Roads:
 - i. Scoping and design: improve safety of intersection: 100% completed.
 - ii. Required construction work: 15% complete.
- 8. Sealed roads:
 - i. Road Reseal Program: Various roads - Spray sealing 90%, asphalt to be carried forward to 2025/26: 45% complete.
 - ii. New sealing of Roads: Bain Ave, Lamm St & Talbots Rd: 100% complete.
- 9. Unsealed roads Capital Program 2023/24-2024/25: 100% complete.
- 10. Road shoulder widening: Koolunga to Brinkworth road widened and resurfaced: 100% complete.

Category 4 – Drainage Reserves:

- 1. Broughton River Floodplain Mitigation: design finalisation & construction of floodway culverts: 15% complete.

2. Flood & drainage engineering studies of Redhill Outfall; Haslam Road Catchment, Solomontown; Harris Road Catchment, Port Pirie South; and Koolunga Drainage Easement: 100% complete.
3. Confidential Report to Council: Koolunga Stormwater Drainage Review (OMC 18/12/2024. 16.5).
4. Harris Road Catchment, Port Pirie South: Magor Rd to Kensington Rd catchment improvement upgrade: 20% complete.
5. CB: Lyons Street, stormwater catchment design: 100% complete.
6. PP: Southwest Drainage Scheme, design process: 50% complete.
Confidential Report to Council: South West Drainage Scheme – Update (OMC 28/08/2024. 16.2).
7. Lower Broughton stormwater pipes and pits replacement program: 100% complete.
8. PP: Warnertown roundabout, underground pipework replacement design: 100% complete.
9. Confidential Report to Council: RFT 2024/149 - Supply and Install Irrigation System at Phoenix Park Wetland (SMC 11/06/2025. 3.14).

Category 5 – Cemeteries & Memorials:

1. CB Cemetery:
 - i. Install new shelter: 100% complete.
 - ii. Construction of inground ashes internment beams: 100% complete.
 - iii. GIS Map Project 95% complete.
2. PP Cemetery:
 - i. Construction of lawn beams & irrigation: 100% complete.
 - ii. GIS Map project – burial plots & expansion: 95% complete.
3. Koolunga Cemetery: Installation of new water tank to shelter: 100% complete.
4. All cemeteries: Development of Cemetery Master Plan: 100% complete.
5. Confidential Report to Council: Contract 2025/166 - Cemeteries Management and Maintenance (OMC 23/04/2025. 16.1).

Category 6 – Community & Commercial Tenancy:

1. CB Pool: resurface children's pool: 100% complete.
2. PP Pool: install access ramp into the pool and reline the pool: 100% complete.

3. Confidential Report to Council: RFT for Contract 2024/147 - Pool Pump Shed Replacement. (OMC 27/11/2024. 16.1).
4. Confidential Report to Council: RFT for Contract 2024/161 - Pool Pump Shed Plant & Equipment Replacement (OMC 26/03/2025. 16.3).

Category 7 – Natural Reserves, Coastal Reserves, & Roadside Vegetation:

1. PP: Fisherman's Wharf & Boat Mooring Facility: removal of loading ramp and sunken vessels: 100% complete.
2. PP: Wharf sheet piling wall replacement investigation: 10% complete (in 2023-24). *Project cancelled - now replaced by tie rod and WSCAM investigations in 2025/026.*
3. PP: Berth 3: Ladder repairs: 100% complete.
4. PP: Solomontown Beach, PP. Foreshore Master Plan Stage 1:
 - i. Basketball halfcourt construction; 100% complete.
 - ii. Beach deck and shelter construction 40% complete (*to be completed in 2025/26*); establishment of Micro Forest not proceeding and nature play play-space 100% complete (as scoped) over-all 20% complete.
 - iii. Picnic shelters 100% complete and park furniture: 80% complete (*to be completed in 2025/26*).
 - iv. Promenade path and levee: 90% complete (*to be completed in 2025/26*).
5. Port Davis: Boat Ramp Upgrade: Additional works to seal road & additional lighting: 100% complete.
6. Confidential Report to Council: Expression of Interest Land Development – Royal Port Pirie Yacht Club (OMC 24/07/2024. 16.1).
7. Confidential Report to Council: Update on Negotiations – Development Options 1 and 2 Port Pirie Riverfront (OMC 26/02/2025. 16.2), (OMC 26/02/2025. 16.3), (OMC 26/03/2025. 16.1).
8. Confidential Report to Council: Update on Negotiations – Development Option 1 Port Pirie Riverfront. (OMC 26/02/2025. 16.3); (OMC 26/03/2025. 16.3), (SMC 14/05/2025. 4.1), and (OMC 28/05/2025. 16.1).
9. Confidential Report to Council: RFT for Contract 2025/277 – Berth 1 Loading Ramp & Boat Removal Works (OMC 28/05/2025. 16.6).

Category 8 – Council Operational Facilities: Administration Capital Program 2024-25

1. PPAB: replace 2 main exterior doors: ongoing, 100% complete.
2. PPAB: re-carpet Administration and Chamber areas: 100% complete.
3. PP: Tourism & Regional Art Gallery Building:

- i. Northern roof replacement and skylights: 40% complete.
 - ii. Minor building upgrades including IT area, storage room and State-liner waiting room: 100% complete.
4. PP: Library new book shelving: 100% complete.
5. PP: Waste Transfer Station:
 - i. Strengthen storage bay walls: 30% complete (*to be completed in 2025/26*).
 - ii. Installation of additional exhaust fans for FOGO bays: 100% complete.
6. PP: LED upgrades to selected buildings: 100% complete.
7. PP: UniHub: Fire check windows: 100% complete.
8. Confidential Report to Council: RFT for Contract 2024/144 - Installation of PV Solar Systems. (OMC 18/12/2024, 16.10).
9. Solar PV Systems: Installation to 8 sites, Aquatics Centre still to be completed: 90% complete.
10. Supply of Defibrillators: Various locations, equipment received, installation to be performed: 90% complete.
11. Confidential Report to Council: RFT for Contract 2024/144 - Installation of PV Solar Systems. (OMC 18/12/2024, 16.10).
12. Confidential Report to Council: Tourism & Arts Building External Painting. (OMC 22/10/2024. 16.3).

Category 9 – Miscellaneous land:

1. Senate Road, PP: development of land for residential sale: 30% complete.
2. Confidential Report to Council: Consideration of Purchase of Strategic Land. Parcel. (SMC 20/11/2024).

Category 10 – Site specific:

Nil identified.

APPENDIX 2 CONFIDENTIALITY ORDERS

Council / Committee Meeting	Date of Meeting / Item Number	Confidential Item Subject	Nature of Confidentiality Section 90(3) Reference	Current / Released
CEO Performance Review Committee	10/07/2024 5.1	Chief Executive Officer Performance Review Process	a	RELEASED
Ordinary Meeting	24/07/2024 6.1	Expression of Interest Land Development - Royal Port Pirie Yacht Club	b & d	CURRENT
Ordinary Meeting	24/07/2024 16.2	South-West Drainage Scheme - Update	b	RELEASED
Ordinary Meeting	24/07/2024 16.3	Review of Rating Strategy - Significant Industry Subzone of the Strategic Employment Zone	h	CURRENT
Ordinary Meeting	24/07/2024 16.4	RFT for Contract 2024/145 Supply and Delivery of Three (3) SUV Vehicles	k	RELEASED
Ordinary Meeting	24/07/2024 16.5	RFT for Contract 132 2023/24 Truck Replacement Program	k	RELEASED
CEO Performance Review Committee Special Meeting	20/08/2024 5.1	Chief Executive Officer Performance Review 2023/24 - Draft Performance Appraisal Report	a	RELEASED
Ordinary Meeting	28/08/2024 16.1	Commercial Discussions - Update	d	CURRENT
Ordinary Meeting	28/08/2024 16.2	South West Drainage Scheme - Update	b	RELEASED
Ordinary Meeting	28/08/2024 16.3	Gadaleta Property Developments Pty Ltd - Infrastructure and Land Management Agreements	h	CURRENT
Ordinary Meeting	28/08/2024 16.4	Material Supply & Haulage for Resheeting Program	k	RELEASED
Ordinary Meeting	28/08/2024 16.5	Chief Executive Officer Performance Review Committee Meeting held 20 August 2024	a	RELEASED
CEO Performance Review Committee Special Meeting	11/09/2024 5.1	Consideration of CEO's Remuneration	a	RELEASED
CEO Performance Review Committee Special Meeting	11/09/2024 5.2	Consideration of CEO's KPIs for 2024/25	a	RELEASED
CEO Performance Review Committee Special Meeting	18/09/2024 5.1	Chief Executive Officer's Remuneration and Proposed Draft KPIs for 2024/25	a	RELEASED
Ordinary Meeting	25/09/2024 8.1	Delegation: Green Iron SA Project Concept Update	d	CURRENT
Ordinary Meeting	25/09/2024 16.1	Commercial Discussions - Update	d	CURRENT
Ordinary Meeting	25/09/2024 16.2	Notice of Claim - Update	h & i	CURRENT
Ordinary Meeting	25/09/2024 16.3	Sustech Update	h & i	CURRENT
Ordinary Meeting	25/09/2024 16.4	Update on negotiation of Projects with TLAP	b	CURRENT
Ordinary Meeting	25/09/2024 16.5	LGA Procurement Recommendation of Proposed Electricity Contract Extension	k	RELEASED
Ordinary Meeting	25/09/2024 16.6	Barn Hill Wind Farm Road Use and Infrastructure Agreement. (01/11/24: Partial Release - Resolution only.)	b	CURRENT

Ordinary Meeting	25/09/2024 16.7	Chief Executive Officer Performance Review Committee Meetings held 11 September 2024 & 18 September 2024	a	RELEASED
Ordinary Meeting	23/10/2024 16.1	Sustech Update	h & i	CURRENT
Special Meeting	13/11/2024 4.1	RFT for Contract 2024/154 Supply of Road Resheeting Rubble Material	k	RELEASED
Special Meeting	13/11/2024 4.2	RFT for Contract 2024/155 Rubble Material Haulage 2024/25	k	RELEASED
Special Meeting	13/11/2024 4.3	RFQ for Contract 2024/260 - Administration Vehicle Replacement	k	RELEASED
Special Meeting	13/11/2024 4.4	Waste Management Services - 2024/25 Bulk Processing/Shredding Requirements	k	RELEASED
Special Meeting	20/11/2024	Consideration of Purchase of Strategic Land Parcel	b	RELEASED
Ordinary Meeting	27/11/2024 16.1	RFT for Contract 2024/147 - Pool Pump Shed Replacement	k	RELEASED
Ordinary Meeting	27/11/2024 16.2	Resheeting	b	RELEASED
Ordinary Meeting	18/12/2024 16.1	Commercial Activity Update - Request for Letter of Support	d	CURRENT
Ordinary Meeting	18/12/2024 16.2	Update on Negotiations - Development Options 1 and 2 Port Pirie Riverfront	b	CURRENT
Ordinary Meeting	18/12/2024 16.3	Update on Negotiations - Expression of Interest Memorial Oval	b	RELEASED
Ordinary Meeting	18/12/2024 16.4	Notice of Claim - Update	h	CURRENT
Ordinary Meeting	18/12/2024 16.5	Koolunga Stormwater Drainage Review	j	CURRENT
Ordinary Meeting	18/12/2024 16.6	RFT for Contract 2024/153 - Port Pirie Skate Park Refurbishment	k	RELEASED
Ordinary Meeting	18/12/2024 16.7	RFT for Contract 2024/159 - Road Reseal Program 2024/25 - Asphalt Works	k	CURRENT
Ordinary Meeting	18/12/2024 16.8	RFT for Contract 2024/160 - Road Reseal Program 2024/25 - Spray Sealing Works	k	RELEASED
Ordinary Meeting	18/12/2024 16.9	RFT for Contract 2024/163 Shoulder Widening	k	RELEASED
Ordinary Meeting	18/12/2024 16.10	RFT for Contract 2024/144 - Installation of PV Solar Systems	k	RELEASED
Ordinary Meeting	18/12/2024 16.11	Confidential Investigation	g & h	CURRENT
Ordinary Meeting	22/01/2025 16.1	Stormwater Infrastructure Contribution - Perry's Fuel Distributors	h	RELEASED
Ordinary Meeting	22/01/2025 16.2	2024/150 - The Terrace WSUD Civil and Landscape Works	k	RELEASED
Ordinary Meeting	22/01/2025 16.3	Tourism & Arts Building External Painting	k	RELEASED
Ordinary Meeting	22/01/2025 16.4	2024/25 Road Resheeting Program Rubble Variation	k	RELEASED
CEO Performance Review Committee	26/02/2025 5.1	Chief Executive Officer's 2024/25 KPI Update	a	RELEASED
Ordinary Meeting	26/02/2025 16.1	Notice of Claim Update	h & i	CURRENT
Ordinary Meeting	26/02/2025 16.2	Sustech Update	h & i	CURRENT
Ordinary Meeting	26/02/2025 16.3	Update on Negotiations - Development Option 1 Port Pirie Riverfront	b & i	CURRENT

Ordinary Meeting	26/02/2025 16.4	RFT for Contract 157 - Plant Equipment - Ute Replacement	k	RELEASED
Special Meeting	12/03/2025	Update of Claim - Sustech	h & i	CURRENT
Ordinary Meeting	26/03/2025 16.1	Update on Negotiations - Development Options 1 and 2 Port Pirie Riverfront	b & i	CURRENT
Ordinary Meeting	26/03/2025 16.2	RFT for Contract 135 CWMS - Crystal Brook Manhole Lid Replacement & Structural Works	k	RELEASED
Ordinary Meeting	26/03/2025 16.3	RFT for Contract 2024/161 - Pool Pump Shed Plant & Equipment Replacement	k	RELEASED
Ordinary Meeting	26/03/2025 16.4	Chief Executive Officer Performance Review Committee Meeting held 26 February 2025	a	RELEASED
CEO Performance Review Committee	09/04/2025 5.1	Chief Executive Officer Performance Review 2024/25 – Performance Appraisal Report (Minutes not held in confidence)	a	RELEASED
Ordinary Meeting	23/04/2025 16.1	Contract 2025/166 Cemeteries Management and Maintenance	b & k	RELEASED
Ordinary Meeting	23/04/2025 16.2	Chief Executive Officer Performance Review Committee Meeting held 9 April 2025	a	RELEASED
Special Meeting	14/05/2025 4.1	Update Negotiations Development Option 1 Port Pirie Riverfront	b & i	CURRENT
Special Meeting	14/05/2025 4.2	2024/25 Road Resealing Program - Asphaltting Contractor Changes	k	CURRENT
CEO Performance Review Committee Special Meeting	28/05/2025 3.1	Consideration of Chief Executive Officer's Remuneration	a	RELEASED
Ordinary Meeting	28/05/2025 16.1	Update on Negotiations - Development Options 1 and 2 Port Pirie Riverfront	b	CURRENT
Ordinary Meeting	28/05/2025 16.2	Sustech Update	h	CURRENT
Ordinary Meeting	28/05/2025 16.3	Update on Negotiations - Expression of Interest Memorial Oval	b	RELEASED
Ordinary Meeting	28/05/2025 16.4	LGA Procurement - Small Sites Electricity Tender	d	CURRENT
Ordinary Meeting	28/05/2025 16.5	RFT for Contract 2025/156 Footpath Program - Goode Road	k	RELEASED
Ordinary Meeting	28/05/2025 16.6	RFT for Contract 2025/277 Berth 1 Loading Ramp & Boat Removal Works	k	RELEASED
Special Meeting	11/06/2025 3.14	RFT 2024/149 - Supply and Install Irrigation System at Phoenix Park Wetland	k	RELEASED
Ordinary Meeting	25/06/2025 16.1	SusTech Update	h	CURRENT
Ordinary Meeting	25/06/2025 16.2	Notice of Claim Update	h & i	CURRENT
Ordinary Meeting	25/06/2025 16.3	CEO Performance Review Committee Meeting Minutes 28 May 2025	a	RELEASED

Port Pirie Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Port Pirie Regional Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Port Pirie Regional Council

Financial Statements 2025

General Purpose Financial Statements

for the year ended 30 June 2025

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2025 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Mr Chris Davey
Chief Executive Officer

26 November 2025



Mr Leon Stephens
Mayor

26 November 2025

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Rates	2a	22,601	21,511
Statutory charges	2b	345	365
User charges	2c	1,947	1,892
Grants, subsidies and contributions - capital	2g	269	813
Grants, subsidies and contributions - operating	2g	10,020	1,423
Investment income	2d	419	415
Reimbursements	2e	859	539
Other income	2f	350	645
Total income		36,810	27,603
Expenses			
Employee costs	3a	9,139	8,857
Materials, contracts and other expenses	3b	14,121	12,653
Depreciation, amortisation and impairment	3c	9,917	8,342
Finance costs	3d	114	122
Total expenses		33,291	29,974
Operating surplus / (deficit)		3,519	(2,371)
Physical resources received free of charge	2h	—	752
Asset disposal and fair value adjustments	4	(2,327)	(889)
Amounts received specifically for new or upgraded assets	2g	945	2,954
Net surplus / (deficit)		2,137	446
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	51,878	1,289
Total amounts which will not be reclassified subsequently to operating result		51,878	1,289
Total other comprehensive income		51,878	1,289
Total comprehensive income		54,015	1,735

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

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	6,641	2,702
Trade and other receivables	5b	2,155	4,477
Inventories	5c	298	291
Subtotal		9,094	7,470
Total current assets		9,094	7,470
Non-current assets			
Trade and other receivables	6a	632	534
Other non-current assets	6b	3,605	3,171
Infrastructure, property, plant and equipment	7	323,732	273,006
Total non-current assets		327,969	276,711
TOTAL ASSETS		337,063	284,181
LIABILITIES			
Current liabilities			
Trade and other payables	8a	4,332	5,056
Borrowings	8b	5,032	258
Provisions	8c	2,184	2,315
Subtotal		11,548	7,629
Total current liabilities		11,548	7,629
Non-current liabilities			
Borrowings	8b	22	5,028
Provisions	8c	74	120
Total non-current liabilities		96	5,148
TOTAL LIABILITIES		11,644	12,777
Net assets		325,419	271,404
EQUITY			
Accumulated surplus		76,456	74,481
Asset revaluation reserves	9a	247,249	195,371
Other reserves	9b	1,714	1,552
Total council equity		325,419	271,404
Total equity		325,419	271,404

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

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2025					
Balance at the end of previous reporting period		74,481	195,371	1,552	271,404
Net surplus / (deficit) for year		2,137	–	–	2,137
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	9	–	51,878	–	51,878
Other comprehensive income		–	51,878	–	51,878
Total comprehensive income		2,137	51,878	–	54,015
Transfers between reserves		(162)	–	162	–
Balance at the end of period		76,456	247,249	1,714	325,419
2024					
Balance at the end of previous reporting period		74,174	194,082	1,413	269,669
Restated opening balance		74,174	194,082	1,413	269,669
Net surplus / (deficit) for year		446	–	–	446
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	9	–	1,289	–	1,289
Other comprehensive income		–	1,289	–	1,289
Total comprehensive income		446	1,289	–	1,735
Transfers between reserves		(139)	–	139	–
Balance at the end of period		74,481	195,371	1,552	271,404

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

Statement of Cash Flows

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		22,335	21,541
Statutory charges		345	402
User charges		2,087	1,513
Grants, subsidies and contributions		12,758	2,226
Investment receipts		419	419
Reimbursements		909	582
Other receipts		2,516	1,058
<u>Payments</u>			
Payments to employees		(9,259)	(8,827)
Payments for materials, contracts and other expenses		(17,385)	(15,246)
Finance payments		(114)	(131)
Net cash provided by (or used in) operating activities	10b	14,611	3,537
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		945	2,954
Grants utilised for capital purposes		269	3,026
Sale of replaced assets		340	380
Sale of surplus assets		67	35
Repayments of loans by community groups		147	49
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(8,662)	(13,778)
Expenditure on new/upgraded assets		(3,234)	(4,907)
Loans made to community groups		(275)	(410)
Net cash provided (or used in) investing activities		(10,403)	(12,651)
Cash flows from financing activities			
<u>Payments</u>			
Repayments of loans		(240)	(229)
Repayment of lease liabilities		(29)	(12)
Net cash provided by (or used in) financing activities		(269)	(241)
Net increase (decrease) in cash held		3,939	(9,355)
plus: cash & cash equivalents at beginning of period		2,702	12,057
Cash and cash equivalents held at end of period	10a	6,641	2,702

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 26 November 2025

1.2 Historical cost convention

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

1.3 Critical accounting estimates

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

1.4 Rounding

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

(2) The local government reporting entity

Port Pirie Regional Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 115 Ellen Street Port Pirie SA 5540.

(3) Income recognition

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

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

In other cases, AASB 1058 applies when Council enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

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

	Cash Payment Received	Annual Allocation	Difference
2022/23	\$6,852,929	\$5,091,137	+ \$1,761,792
2023/24	\$319,416	\$5,575,860	- \$5,256,444
2024/25	\$9,368,967	\$6,110,917	+ \$3,258,050

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

The Operating Surplus Ratio disclosed in Note 13 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments**4.1 Cash, Cash Equivalent Assets**

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

4.2 Other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments also form part of Note 12.

(5) Inventories

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

(6) Infrastructure, property, plant and equipment**6.1 Initial recognition**

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and other overhead cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner by management.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

6.2 Materiality

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

6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

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

6.5 Impairment

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

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

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

6.6 Borrowing costs

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

(7) Payables

7.1 Goods and services

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

7.2 Payments received in advance and deposits

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

(8) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

(9) Employee benefits**9.1 Salaries, wages and compensated absences**

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

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

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council is liable to pay untaken sick leave for employees who commenced employment prior to 1995.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

(10) Leases

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

10.1 Council as a lessee

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

i) Right-of-Use-Assets

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

Plant and equipment	4 years
---------------------	---------

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policies (continued)

ii) Lease Liabilities

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

(11) GST implications

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

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

(12) New accounting standards and UIG interpretations

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024, none of the standards had an impact on the reported position, performance and cash flows.

The relevant standards for Council were:

- AASB 101 Presentation of Financial Statements (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities
- AASB 13 Fair Value Measurement (amended by AASB 2022-10)

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability

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

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

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

- AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2023-1, AASB 2023-8 and AASB 2023-9 Insurance Contracts in the Public Sector)

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5, AASB 2023-7 and AASB 2024-4)
- AASB 18 Presentation and Disclosure in Financial Statements

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a) Rates		
General rates		
General rates	20,432	19,419
Less: mandatory rebates	(511)	(492)
Less: discretionary rebates, remissions and write-offs	(335)	(330)
Total general rates	19,586	18,597
Other rates (including service charges)		
Landscape levy	355	371
Waste collection	2,262	2,199
Community wastewater management systems	219	210
Less: discretionary rebates, remissions and write-offs	(21)	(40)
Total other rates (including service charges)	2,815	2,740
Other charges		
Penalties for late payment	153	135
Legal and other costs recovered	47	39
Total other charges	200	174
Total rates	22,601	21,511
(b) Statutory charges		
Town planning fees	141	141
Health and septic tank inspection fees	7	5
Animal registration fees and fines	144	158
Parking fines / expiation fees / search fees	45	46
Environment / fire control fines	8	15
Total statutory charges	345	365
(c) User charges		
Cemetery / crematoria fees	177	204
Waste disposal	1,383	1,335
Lease / rental fees	106	108
Sport / recreation and hall hire fees	84	78
Tourism (including special events)	115	110
Aerodrome user fees	41	34
Library and IT Centre	19	15
Sundry	22	8
Total user charges	1,947	1,892

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	379	385
- Loans to community groups	40	30
<u>Total investment income</u>	<u>419</u>	<u>415</u>
(e) Reimbursements		
Private works	1	6
Insurance claims and related recoupments	86	6
Outside parties including government departments	668	507
Other	104	20
<u>Total reimbursements</u>	<u>859</u>	<u>539</u>
(f) Other income		
Contributions from outside parties	178	627
Sundry	172	18
<u>Total other income</u>	<u>350</u>	<u>645</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	945	2,954
Total amounts received for new or upgraded assets	945	2,954
Other grants, subsidies and contributions - capital		
Untied - LRCI program funding capital grant	269	813
Total Other grants, subsidies and contributions - capital	269	813
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions	366	818
Untied - Financial Assistance Grant	9,597	550
Library and communications	57	55
Other grants, subsidies and contributions - operating		
Total other grants, subsidies and contributions - operating	10,020	1,423
Total grants, subsidies and contributions	11,234	5,190
(i) Sources of grants		
Commonwealth Government	—	146
State Government	13,705	4,082
Other	(2,471)	962
Total	11,234	5,190
(h) Physical resources received free of charge		
Roads, kerbing and footpaths	—	119
Buildings	—	486
Structures and site improvements	—	147
Total physical resources received free of charge	—	752

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses

\$ '000	Notes	2025	2024
(a) Employee costs			
Salaries and wages		7,310	7,293
Employee leave expense		1,811	1,522
Superannuation - defined contribution plan contributions	15	875	784
Superannuation - defined benefit plan contributions	15	105	107
Workers' compensation insurance		261	201
Less: capitalised and distributed costs		(1,223)	(1,050)
Total operating employee costs		9,139	8,857
Total number of employees (full time equivalent at end of reporting period)		90	93
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		14	14
Bad and doubtful debts		(7)	50
Elected members' expenses		264	250
Election expenses		6	5
Subtotal - prescribed expenses		277	319
(ii) Other materials, contracts and expenses			
Administration costs		378	417
Building and infrastructure - materials, repairs and maintenance		60	70
Consultants		882	445
Contractors		6,403	5,710
Contributions, rents and donations		313	349
Energy		1,968	1,875
Fuels and oils		312	342
Insurances and registrations		1,115	949
IT software / licensing and hardware / consumables		652	556
Legal expenses		251	278
Levies / taxes and bank charges		467	479
Materials / minor plant and equipment		629	374
Plant repairs and maintenance		214	193
Sundry expenses		78	194
Training and development		122	103
Subtotal - Other material, contracts and expenses		13,844	12,334
Total materials, contracts and other expenses		14,121	12,653

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings/Structures/Site Improvements/Marine	2,944	2,910
CWMS/Stormwater drainage	725	688
Roads	4,169	3,065
Kerbing/Footpaths/Bridges	1,135	954
Road ancillary	158	83
Equipment	694	601
Furniture and fittings	61	61
Right-of-use assets	31	13
Subtotal	9,917	8,375
Less: capitalised and distributed costs	—	(33)
Total depreciation, amortisation and impairment	9,917	8,342
(d) Finance costs		
Interest on overdraft and short-term drawdown	105	105
Interest on loans	4	14
Interest on leases	5	3
Total finance costs	114	122

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 4. Asset disposal and fair value adjustments

\$ '000	2025	2024
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	340	380
Less: carrying amount of assets sold	(2,690)	(1,239)
Gain (loss) on disposal	(2,350)	(859)
(ii) Assets surplus to requirements		
Proceeds from disposal	67	35
Less: carrying amount of assets sold	(44)	(65)
Gain (loss) on disposal	23	(30)
Net gain (loss) on disposal or revaluation of assets	(2,327)	(889)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 5. Current assets

\$ '000	2025	2024
(a) Cash and cash equivalent assets		
Cash on hand and at bank	38	534
Deposits at call	6,603	2,168
<u>Total cash and cash equivalent assets</u>	<u>6,641</u>	<u>2,702</u>
(b) Trade and other receivables		
Rates - general and other	1,191	925
Accrued revenues	27	210
Debtors - general	728	3,095
GST recoupment	266	331
Prepayments	8	18
Loans to community organisations	100	70
<u>Subtotal</u>	<u>2,320</u>	<u>4,649</u>
Less: provision for expected credit losses	(165)	(172)
<u>Total trade and other receivables</u>	<u>2,155</u>	<u>4,477</u>
(c) Inventories		
Stores and materials	261	259
Trading stock	37	32
<u>Total inventories</u>	<u>298</u>	<u>291</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 6. Non-current assets

\$ '000	2025	2024
(a) Trade and other receivables		
Receivables		
Loans to community organisations	632	534
<u>Total financial assets</u>	<u>632</u>	<u>534</u>
(b) Other non-current assets		
Capital work in progress	3,605	3,171
<u>Total other non-current assets</u>	<u>3,605</u>	<u>3,171</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

Infrastructure, property, plant and equipment

		as at 30/06/24				Asset movements during the reporting period							as at 30/06/25			
Fair Value Level	\$ '000	At Fair Value	Accumulated Depreciation		Carrying amount	Asset Additions		WDV of Asset		Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
			At Cost			Asset New / Upgrade	Asset Additions Renewals	Disposals	Transfers		WIP (ARR) (Note 9)					
2	Land	1,500	–	–	1,500	–	–	–	(44)	–	–	–	1,456	–	–	1,456
3	Land	22,591	–	–	22,591	–	–	–	–	–	–	–	22,591	–	–	22,591
2	Buildings/Structures/Site Improvements/Marine															
3	Buildings/Structures/Site Improvements/Marine	8,771	1,019	(6,177)	3,613	20	78	(25)	(176)		–	–	8,771	1,011	(6,274)	3,508
3	Roads	105,946	8,164	(48,100)	66,010	1,052	1,377	(678)	(2,768)		790	–	105,945	9,618	(49,780)	65,783
3	Kerbing/Footpaths/Bridges	132,515	19,412	(61,951)	89,976	1,353	3,409	(1,261)	(4,169)		319	38,922	178,611	21,360	(71,422)	128,549
3	Road ancillary	71,086	5,243	(27,909)	48,420	172	731	(284)	(1,135)		245	10,950	86,358	5,957	(33,217)	59,098
3	Stormwater drainage/CWMS Equipment	4,173	611	(1,975)	2,809	–	51	(9)	(158)		–	2,006	7,894	646	(3,841)	4,699
3	Furniture and fittings	54,719	2,641	(24,768)	32,592	3	144	(126)	(725)		9	–	54,719	2,580	(25,403)	31,896
	Right-of-use assets	–	9,652	(4,544)	5,108	309	1,404	(307)	(694)		–	–	–	10,476	(4,656)	5,820
		–	862	(520)	342	–	–	–	(61)		–	–	–	862	(581)	281
		–	64	(19)	45	36	–	–	(31)		–	–	–	101	(50)	51
Total infrastructure, property, plant and equipment		401,301	47,668	(175,963)	273,006	2,945	7,194	(2,734)	(9,917)		1,363	51,878	466,345	52,611	(195,224)	323,732
Comparatives		398,892	35,104	(170,483)	263,513	–	–	–	–		–	–	401,301	47,668	(175,963)	273,006

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

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

Valuation of assets

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

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

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

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

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

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

Information on valuations

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

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

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

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Other information

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

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

Highest and best use

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

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

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

Transition to AASB 13 - Fair Value Measurement

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

Capitalisation thresholds

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

	\$
Buildings, structures and site improvements	5,000
Road infrastructure	10,000
Stormwater drainage, CWMS	5,000
Plant, machinery and fleet	5,000
Minor plant and loose tools	2,000
Office furniture and equipment	2,000

Estimated useful lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Buildings	30 to 120 years
Building components	15 to 50 years
Structures	20 to 100 years
Site improvements	5 to 100 years
Sealed roads - pavement	20 to 100 years
Sealed roads - surface	17 to 40 years
Sealed roads - formation	Indefinite
Unsealed roads - surface	12 to 20 years
Unsealed roads - formation	Indefinite
Kerbing	80 years
Footpaths	30 to 40 years
Bridges	60 to 100 years
Stormwater drainage	25 to 100 years
CWMS	20 to 80 years
Major plant	4 to 20 years
Minor plant	5 to 10 years
Fleet	2 to 5 years
ICT equipment	5 to 10 years
Other equipment	10 to 20 years
Furniture and fittings	10 to 40 years

Land and land improvements

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset. Level 2 and Level 3 fair value hierarchy of land were determined by JLL as at 1 July 2020.

Buildings and other structures

Building, structures and site improvements were valued by JLL as at 1 July 2020 and Level 3 Structures were valued by Tonkin Consulting as at 1 July 2021, on the basis of Depreciated Replacement cost and Market Value (where applicable). All acquisitions made after the respective dates of valuation are recorded at cost. Level 2 and Level 3 fair value hierarchy of buildings, structures and site improvements were determined by JLL and Tonkin Consulting.

Marine Assets were valued by Asset Engineering using the depreciated replacement cost as at 1 July 2023.

Infrastructure

Road, kerbing and footpath assets were valued by Tonkin Consulting at written down current replacement cost as at 1 July 2024. All acquisitions made after the respective dates of valuation are recorded at cost.

Road ancillary assets were valued by Tonkin Consulting at written down current replacement cost as at 1 July 2024. All acquisitions made after the respective dates of valuation are recorded at cost.

Bridge assets were valued by Tonkin Engineering at written down current replacement cost as at 1 July 2023. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Tonkin Consulting at written down current replacement cost as at 1 July 2022. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by Tonkin Consulting at written down current replacement cost as at 1 July 2022. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, furniture and equipment

These assets are recognised on the cost basis.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 8. Liabilities

\$ '000	2025 Current	2025 Non Current	2024 Current	2024 Non Current
(a) Trade and other payables				
Goods and services	1,443	—	2,128	—
Payments received in advance	2,596	—	2,380	—
Accrued expenses - employee entitlements	265	—	208	—
Accrued expenses - other	28	—	340	—
Total trade and other payables	4,332	—	5,056	—

(b) Borrowings

Loans	5,000	—	240	5,000
Lease liabilities	32	22	18	28
Total Borrowings	5,032	22	258	5,028

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

(c) Provisions

Long service leave - employee entitlements (including oncosts)	1,292	74	1,315	120
Annual leave - employee entitlements (including oncosts)	808	—	907	—
Sick leave entitlements	84	—	93	—
Total provisions	2,184	74	2,315	120

Movements in provisions

2025 (current and non-current) \$ '000	Leave provisions 2025
Opening balance	2,435
Add: additional amounts recognised	—
(Less): payments	177
Closing balance	2,258

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 9. Reserves

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land	19,616	—	—	—	19,616
Buildings	14,242	—	—	—	14,242
Structures/site improvements	4,297	—	—	—	4,297
Stormwater drainage	22,090	—	—	—	22,090
CWMS	2,367	—	—	—	2,367
Roads	83,210	38,922	—	—	122,132
Kerbing	32,266	10,950	—	—	43,216
Footpaths	7,834	—	—	—	7,834
Bridges	2,393	—	—	—	2,393
Marine	4,675	—	—	—	4,675
Road ancillary	2,381	2,006	—	—	4,387
Total asset revaluation reserve	195,371	51,878	—	—	247,249
Comparatives	194,082	1,289	—	—	195,371

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Crystal Brook CWMS	1,255	141	—	—	1,396
Napperby CWMS	225	13	—	—	238
Fishermans Wharf	34	8	—	—	42
Economic Development	38	—	—	—	38
Total other reserves	1,552	162	—	—	1,714
Comparatives	1,413	139	—	—	1,552

Purposes of reserves

Asset revaluation reserves

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

Community Wastewater Management Scheme (CWMS) Reserves

Balance from operations of CWMS to provide for major maintenance program, repairs and capital replacement.

Fishermans Wharf Reserve

Mooring fees used to provide future capital works to this area.

Economic Development Reserve

Strategic decision for future Economic Development considerations in the future.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2025	2024
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(a) Reconciliation of cash

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

Total cash and equivalent assets	5	6,641	2,702
Balances per Statement of Cash Flows		6,641	2,702

(b) Reconciliation of Operating Result

Net surplus/(deficit)		2,137	446
Non-cash items in income statements			
Depreciation, amortisation and impairment		9,917	8,342
Non-cash asset acquisitions		–	(752)
Grants for capital acquisitions treated as investing activity		(1,214)	(5,980)
Net (gain)/loss on disposals		2,327	889
		13,167	2,945
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		2,359	(2,058)
Change in allowances for under-recovery of receivables		(7)	51
Net (increase)/decrease in inventories		(7)	(278)
Net increase/(decrease) in trade and other payables		(724)	2,847
Net increase/(decrease) in other provisions		(177)	30
Net cash provided by (or used in) operations		14,611	3,537

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	2h	–	752
Amounts recognised in income statement		–	752

Non-cash financing (other)

Leases		36	30
Total non-cash financing and investing activities		36	782

(d) Financing arrangements

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

Corporate credit cards	30	30
LGFA cash advance debenture facility	8,000	8,000

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments

Recognised financial instruments**Bank, deposits at call, short term deposits****Accounting policy:**

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

Terms and conditions:

Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 4.15% as at 30 June 2025.

Carrying amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges (including legals and penalties for late payment)**Accounting policy:**

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

Terms and conditions:

Secured over the subject land, arrears attract at the prescribed percentage in accordance with the Local Government Act 1999. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges**Accounting policy:**

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

Terms and conditions:

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

Carrying amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government**Accounting policy:**

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

Terms and conditions:

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

Carrying amount:

Approximates fair value.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments (continued)

Liabilities - creditors and accruals**Accounting policy:**

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

Terms and conditions:

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings**Accounting policy:**

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

Terms and conditions:

Secured over future revenues, borrowings are repayable interest is charged at a fixed rate of 2.10% as at 30 June 2025 (2024: between 2.10% and 5.40%).

Carrying amount:

Approximates fair value.

Liabilities - leases**Accounting policy:**

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

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2025					
Financial assets					
Cash and cash equivalents	6,641	—	—	6,641	6,641
Receivables	2,184	490	262	2,936	2,779
Total financial assets	8,825	490	262	9,577	9,420
Financial liabilities					
Payables	1,736	—	—	1,736	1,736
Current borrowings	5,000	—	—	5,000	5,000
Non-current borrowings	—	—	—	—	—
Lease liabilities	32	22	—	54	54
Total financial liabilities	6,768	22	—	6,790	6,790
Total financial assets and liabilities	15,593	512	262	16,367	16,210

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2024					
Financial assets					
Cash and cash equivalents	2,702	–	–	2,702	2,702
Receivables	4,491	375	289	5,155	4,993
Total financial assets	7,193	375	289	7,857	7,695
Financial liabilities					
Payables	2,676	–	–	2,676	2,676
Current borrowings	265	–	–	265	240
Non-current borrowings	–	5,000	–	5,000	5,000
Lease liabilities	18	28	–	46	46
Total financial liabilities	2,959	5,028	–	7,987	7,962
Total financial assets and liabilities	10,152	5,403	289	15,844	15,657

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

\$ '000	2025		2024	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	2.10%	5,000	2.20%	5,240
		5,000		5,240

Net fair value

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

Risk exposures

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

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 12. Financial indicators

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024	Indicators 2023
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These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating surplus	3,519	9.6%	(8.6)%	5.8%
Total operating income	36,810			

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

2. Net Financial Liabilities Ratio

Net financial liabilities	2,216	6.0%	18.3%	(14.7)%
Total operating income	36,810			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

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

Adjusted Operating Surplus Ratio

Operating surplus	(8)	0.0%	9.5%	0.2%
Total operating income	33,283			

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	5,422	16%	15%	3%
Total operating income	33,283			

3. Asset Renewal Funding Ratio

Asset renewals	8,662			
Infrastructure and Asset Management Plan required expenditure	6,055	143%	273%	93%

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 13. Uniform presentation of finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	22,601	21,511
Statutory charges	345	365
User charges	1,947	1,892
Grants, subsidies and contributions - capital	269	813
Grants, subsidies and contributions - operating	10,020	1,423
Investment income	419	415
Reimbursements	859	539
Other income	350	645
Total Income	36,810	27,603
<u>Expenses</u>		
Employee costs	(9,139)	(8,857)
Materials, contracts and other expenses	(14,121)	(12,653)
Depreciation, amortisation and impairment	(9,917)	(8,342)
Finance costs	(114)	(122)
Total Expenses	(33,291)	(29,974)
Operating surplus / (deficit)	3,519	(2,371)
Net timing adjustment for general purpose grant funding	(3,258)	5,506
Less: grants, subsidies and contributions - capital	(269)	(813)
Adjusted Operating surplus / (deficit)	(8)	2,322
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(8,662)	(13,778)
Add back depreciation, amortisation and impairment	9,917	8,342
Add back proceeds from sale of replaced assets	340	380
	1,595	(5,056)
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(6,143)	(4,907)
Add back amounts received specifically for new and upgraded assets	945	2,954
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	67	35
	(5,131)	(1,918)
Annual net impact to financing activities (surplus/(deficit))	(3,544)	(4,652)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 14. Leases

(i) Council as a lessee

Terms and conditions of leases

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

(a) Right of use assets

\$ '000	Plant, machinery and equipment	Total
2025		
Opening balance	46	46
Additions to right-of-use assets	36	36
Depreciation charge	(31)	(31)
Balance at 30 June	51	51
2024		
Opening balance	28	28
Additions to right-of-use assets	31	31
Depreciation charge	(13)	(13)
Balance at 30 June	46	46

(b) Lease liabilities

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

\$ '000	2025	2024
Balance at 1 July	46	28
Additions	36	31
Accretion of interest	5	3
Payments	(34)	(16)
Balance at 30 June	53	46
Classified as:		
Current	31	18
Non-current	22	28

The maturity analysis of lease liabilities is included in Note 12.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 14. Leases (continued)

\$ '000	2025	2024
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	31	13
Interest expense on lease liabilities	5	3
Total amount recognised in profit or loss	36	16

(ii) Council as a lessor

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

\$ '000	2025	2024
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	92	112
Later than one year and not later than 5 years	65	146
Later than 5 years	20	31
	177	289

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 15. Superannuation

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

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (11.50% in 2024/25; 11.00% in 2023/24). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2023/24) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 16. Contingencies and assets/liabilities not recognised in the balance sheet

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

1. Land under roads

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

At reporting date, Council controlled 1,365 km of road reserves of average width 20 metres.

2. Potential insurance losses

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

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

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

3. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Council currently has one legal claim against it that may be of material nature. The cost and likelihood of the potential liability cannot be reliably determined at this time and has not been recognised with these financial statements.

Note 17. Events after the balance sheet date

There were no events after the Balance Sheet Date to be disclosed.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 18. Related party transactions

Key management personnel

Transactions with key management personnel

\$ '000	2025	2024
The compensation paid to key management personnel comprises:		
Short-term employee benefits	924	913
Post-employment benefits	65	63
Long-term benefits	11	–
Termination benefits	11	–
Total	1,011	976

KMP and relatives of KMPs own retail businesses from which Council made purchases during the year. The total value of the purchases was \$19,073 as at 30 June 2025.

Key management personnel or close family members (including related parties) lodged a total of Nil planning and building applications during the year.



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INDEPENDENT AUDITOR'S REPORT

To the members of Port Pirie Regional Council

Opinion

We have audited the accompanying financial report of Port Pirie Regional (the Council), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Port Pirie Regional Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

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

Emphasis of Matter

We draw attention to Note 16 (3) of the financial report, which describes the effects of a legal claim against the Council. The potential financial impact cannot be reliably determined.

Council's responsibility for the financial report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

27 November 2025

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To the members of Port Pirie Regional Council**Opinion**

We have audited the compliance of the Port Pirie Regional Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2024 to 30 June 2025 have been conducted properly and in accordance with law.

In our opinion, Port Pirie Regional Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2024 to 30 June 2025.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement 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, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2024 to 30 June 2025. 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 Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and 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 Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2024 to 30 June 2025. ASAE 3000 also requires us to comply with the relevant ethical requirements for 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 Council in Accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS


Tim Muhlhausler CA, Registered Company Auditor
Partner

27 November 2025

General Purpose Financial Statements for the year ended 30 June 2025

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Port Pirie Regional Council for the year ended 30 June 2025, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Mr Chris Davey
Chief Executive Officer



Mr Alan Rushbrook
Audit and Risk Management Committee Chair

Date: 4 November 2025



PORT PIRIE REGIONAL COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Statement by Auditor

I confirm that, for the audit of the financial statements of Port Pirie Regional Council for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

Tim Muhlhausler CA, Registered Company Auditor

Partner

27 November 2025

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5.5 Audit and Risk Management Committee Annual Report 2024/25

Author: Rachel Andrew, Finance Coordinator
Authoriser: Luigi Mesisca, Director Corporate & Community
File Reference: 2025.1079

Timeframe:	Immediate			
Budget Impact:	Nil			
Risk Assessment:	Primary Risk Type(s):		Legal / Regulatory / Policy	
	Inherent Risk:	Likelihood	Consequence	Rating
		Almost Certain	Catastrophic	Extreme
	Controls:	<ul style="list-style-type: none"> Ensure Work Plan activities are completed within an appropriate timeframe. Complete Audit and Risk management Committee Annual report in line with section 126(8) of the <i>Local Government Act 1999</i>. 		
	Residual Risk:	Unlikely	Minor	Low

STRATEGIC REFERENCE:	
Theme	Our Leadership
Goal	Organisational Excellence
Strategy 4.2.4	Council will be financially responsible and sustainable across generations

Recommendation
<p>That the Audit & Risk Management Committee recommend that Council:</p> <ol style="list-style-type: none"> 1. Receive and note the Audit & Risk Management Committee Annual Report 2024/25. 2. Includes the Audit & Risk Management Committee Annual Report in the Council's 2024/25 Annual Report publication.

Executive Summary
<p>The purpose of this report is to provide a summary of the Port Pirie Regional Council Audit and Risk Management Committee's activities for the 2024/25 financial year. The <i>Local Government Act 1999</i>, section 126(8) requires the Audit and Risk Management Committee to provide an annual report to council on the work of the committee during the period to which the report relates.</p>

Discussion

Background

Under the *Local Government Act 1999*, all Councils are required to have an Audit and Risk Management Committee. Section 126 of the Act specifies broad Audit and Risk Management Committee responsibilities. The LGA '*Financial Sustainability*' Information Paper No. 3 – *Audit Committees* states that Audit and Risk Management Committees should develop a work plan to address issues which fall within the activity areas determined by the Audit and Risk Management Committee's terms of reference. Additional items may be included in the Work Plan during the financial year as they arise.

Conduct of Meetings

The Audit and Risk Management Committee Terms of Reference require that the Audit and Risk Management Committee meet at least once in each quarter with meeting dates and times to be determined by the Committee. The Committee met this requirement during the period of the 1 July 2024 to 30 June 2025. The tables below detail meeting dates and attendance.

Committee Members	27/08/2024	12/11/2024	19/03/2025	18/06/2025
Mr A Rushbrook (Chair)	✓	✓	✓	✓
Ms D Brokenshire	✓	✓	✓	✓
Mr L Kirchner	✓	✓	✓	✓
Cr G Petagna	✓	Apology	✓	✓
Cr L Peters	Apology	✓	✓	✓

Meeting Discussions 2024/25

Throughout the year, the Audit and Risk Management Committee reviewed 32 reports, with discussions taking place around the following items, in response to the agenda items provided:

Meeting – 27 August 2024

1. 6.1 Interim Audit 2023/24
2. 6.2 Adoption of the Annual Business Plan, Budget and Rates Policy for 2024/25
3. 6.3 Long Term Financial Plan 2025/2034
4. 6.4 Rates Outstanding Debtor report 2023/24
5. 6.5 Sundry Debtor Analysis Report 2023/24
6. 6.6 Risk Management & Governance Update – August (Q1) 2024
7. 6.7 Delegation System Review
8. 6.8 Audit & Risk Management Work Plan Review

Meeting – 12 November 2024

9. 5.1 Audit Completion Report 2023/24 Draft
10. 5.1 Budget 2024/25 – Review 1 as at 30 September 2024
11. 5.3 Review of 2023/24 Financial Result – Budget versus Actual Comparison
12. 5.4 Annual Financial Statements 2023/24 (Draft)
13. 5.5 Treasury Management Performance Report 2023/24
14. 5.6 2024 ESCOSA Review – Status Update
15. 5.7 Audit & Risk Management Committee Annual Report 2023/24
16. 5.8 Risk Management & Governance Update – November (Q2) 2024
17. 5.9 Strategic Policy Status Update
18. 5.10 Review of Community Plan
19. 5.11 Audit & Risk Management Action & Resolution List

Meeting – 19 March 2025

20. 5.1 Asset Valuations and Revaluations Schedule
21. 5.2 Budget 2024/25 – Review 2 as at 31 December 2024
22. 5.3 Review of the Long Term Financial Plan for 2025-34
23. 5.4 Community Plan Adopted
24. 5.5 ESCOSA Review – Recommendations
25. 5.6 Action & Resolution List
26. 5.7 Audit & Risk Management Committee Ordinary Meeting Dates 2025
27. 5.8 Audit & Risk Management Committee Terms of Reference
28. 5.9 Audit & Risk Management Work Plan Review

Meeting – 18 June 2025

29. 5.1 2024/25 BR3 Report
30. 5.2 Draft Long Term Financial Plan 2026-2035
31. 5.3 Draft Annual Business Plan and Budget 2025/26 and Rates Policy 2025/26 (for consultation)
32. 5.4 Audit & Risk Management Work Plan Review

Audit and Risk Management Committee Work Plan 2024/25

The Audit & Risk Management Committee Work Plan is tabled at each meeting to allow members to monitor progress. Additional items may be added during the year at the request of the Audit and Risk Management Committee.

Attachments

Nil



Advice

Local Government Advice

Port Pirie Regional Council

February 2025

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
ADELAIDE SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

Port Pirie Regional Council

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Port Pirie Regional Council's current and projected financial performance **mostly sustainable**, taking into account the Council is forecasting eight operating surpluses. However, these surpluses assume constraint in growth in costs at a rate lower than previously achieved, without explaining how that will be accomplished. The Council would also benefit from annually indexing its asset values. Remedying these issues would help support long-term sustainability.

FINANCIAL PERFORMANCE



Past 10 years
Sustainable



Current
Mostly Sustainable



Projected
Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ There is a risk council may not understand the value and condition of its asset stock as asset revaluations are not up to date and the Council has not been indexing its values.
- ⚠ Council has forecast lower than historical rates of growth of costs, without showing how that improvement in efficiency will be achieved, which could impact projected operating surpluses.
- ⚠ Rates are forecast to increase at greater than CPI over the forecast period, which might impact affordability.

KEY FACTS

- ▶ Population in 2023 was **17,602 residents**
- ▶ Council covers **1,761 square kilometres**
- ▶ **10,424** rateable properties in 2023-24
- ▶ **\$21.5 million** of rates income in 2023-24
- ▶ Value of assets held in 2023-24 equals **\$284.2 million**

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1 Executive summary

1.1 Summary of observations

The Essential Services Commission (**Commission**) finds the Port Pirie Regional Council's (**Council**) current and projected financial performance mostly sustainable, taking into account the Council is forecasting eight operating surpluses. However, these surpluses assume constraint in growth in costs at a rate lower than previously achieved, without explaining how it will be delivered. The Council would also benefit from annually indexing its asset values.

In general, the Commission formed the view that the Port Pirie Regional Council is well managed and is performing well, however, identified a small number of areas in which improved practices would be of benefit to ratepayers. The Commission has recognised areas in which the Council has already started improving its practices, and where it has existing strengths. Those include the separating out of its Long-Term Financial Plan from its Annual Business Plan, its community and stakeholder engagement work, and its transparency around matters such as the Council's level of debt and borrowing facilities. The Commission encourages Council to maintain and build on those improvements and strengths.

The Council is forecasting small deficits in 2024-25 and 2025-26 due to an increase in its forecast depreciation expense, having revalued its transport/road assets in 2024-25, and buildings and structure assets in 2025-26. To achieve operating surpluses from 2026-27 onwards, the Council is forecasting annual average rate revenue increases of 3.1 percent, on a per property basis. This is above the forecast rate on inflation¹ and might impact ratepayer affordability.

The Council has not been annually indexing asset values between formally revaluing its assets every four to five years, although it has indexed depreciation. This approach can lead to inaccuracies in asset values, which can lead to under-performance of asset renewal and replacement. It could also lead to an understatement of the Council's indexed depreciation expense that could result in larger deficits than the Council forecast. The existence of a backlog of asset renewals and a sudden jump in depreciation in 2024-25 and 2025-26 could be symptoms of this approach. The Commission recommends that formal asset valuations, including condition assessments and analysis of remaining useful asset lives, be undertaken at least every four years, with annual indexation between valuations.

The Council has identified that some asset renewal and replacement activities required by its Asset Management Plans have not been funded and estimates a cost of \$10.2 million to rectify this issue. As the Council intends to seek external funding that has not yet been secured, the Council has not included the works or the funding in its Long-Term Financial Plan. The Commission has the view that it would be more transparent to include the requirement in the Long-Term Financial Plan, noting the Council's intention to undertake works as funding becomes available. This approach would improve stakeholders' understanding of the Council's sustainability.

The Council also proposes to develop \$31.9 million of new or upgraded assets, which also do not appear in the Long-Term Financial Plan, again due to the intention to secure external funding for the projects. The Commission is of the view that asset renewal and replacement should be appropriately prioritised over new and upgraded assets, to ensure that service levels are maintained and to avoid the risk of over-commitment to the stream of future liabilities that new and upgraded assets bring.

The Council's projections of cost growth are lower than historical rates of growth, without showing how it can achieve that improved efficiency. The Commission is of the view that the Council should publish annually its plan for achieving efficiencies, and how it performed against its plan for the prior year.

The Council is forecasting that Grant income will contribute on average 24.6 percent of total income for the 10 years to 2033-34. This relatively high reliance on grants, which can be uncertain in amount and timing, makes the Council vulnerable to fluctuations in total revenue from year to year, which adds a degree of complexity to managing the Council's finances and sustainability. The Council is commended

¹ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) thereafter.

for holding a level of cash that provides a buffer against that uncertainty, together with substantial borrowing capacity, should the need arise.

1.2 Summary of Recommendations

The Commission recommends that the Port Pirie Regional Council:

1. **Include** information related to risks and potential mitigation in its Annual Business Plan and Long-Term Financial Plan documents.
2. **Disclose** cost savings targets or productivity improvements in its Long-Term Financial Plans and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery; and publish achievements against the planned improvements.
3. **Continue** the good practice of including details of its borrowing facilities in its Annual Business Plan and consider introducing this information in its Long-Term Financial Plan.
4. **Consider** slowing its pace of debt repayment and allocate more funding to asset renewals should the Council fall behind in its asset renewals funding ratio.
5. **Undertake** formal valuations at least every four years and annual indexation of asset values between formal valuations, to maintain a more accurate understanding of current asset values and likely renewal and replacement costs.
6. **Prepare** separate asset management plans for each of its major asset groups to more accurately reflect detailed engineering studies of asset valuations, condition assessments and remaining useful lives, and include these expenditure forecasts in the annual budget and annual Long-Term Financial Plan update.
7. **Consult** with its community on its preferences for delayed/reduced services, debt or additional rates charges, if grants are not secured for the \$42.1 million of renewed and new assets that are not included in the Long-Term Financial Plan.
8. **Consider** prioritising asset renewal and replacement needs over expenditure on new and upgraded assets, to ensure that the requirements of the Infrastructure and Asset Management Plan are delivered and service standards maintained.
9. **Continue** to minimise further average rate increases above inflation, to help reduce any emerging affordability risk in the community.
10. **Continue** the good practice of consulting with the community on its strategic management plans and on proposed rate increases and publish these results.

2 About the advice

2.1 Background

The State Parliament has tasked the Commission, South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans (**SMPs**), and on the proposed revenue sources, including rates, which underpin those plans.²

A primary purpose of the Local Government Advice Scheme (**Advice** or **the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (**LTFP**)s and Infrastructure and Asset Management Plans (**IAMP**)s³. IAMPs are commonly referred to as Asset Management Plans (**AMPs**). The LTFP and the IAMP are both required as part of a council's SMP.⁴ Financial sustainability encompasses intergenerational equity,⁵ program (service level) and rates stability in this context.⁶ The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.⁷ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁸

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the Port Pirie Regional Council.

This report provides the Local Government Advice for the council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.⁹ The Council is not compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).¹⁰

The Commission has considered the council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio (**ARFR**).¹¹

² Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

³ Commonly referred to as asset management plans.

⁴ The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.

⁵ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁶ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁷ LG Act s122(1f)(a) and (1g)(a)(ii).

⁸ LG Act s122(1f)(b) and (1g)(b).

⁹ LG Act s122(1h).

¹⁰ Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

¹¹ The three financial indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each

Analysis of these three indicators captures financial and service sustainability, cost control and affordability risk.¹²

Table 1 – Strategic Management Documents

▶ Strategic Asset Management Plan 2021-2031 Port Pirie Regional Council (adopted 24 January 2023)
▶ Asset Management Strategy Port Pirie Regional Council (adopted 24 January 2023)
▶ Port Pirie Regional Council Business Plan 2024/25 – 2026/27 (adopted 31 July 2024)
▶ Port Pirie Regional Council Business Plan 2023/24 - 2025/26 (adopted 5 July 2023)
▶ Port Pirie Regional Council Long-Term Financial Plan 2025-2034 (adopted 31 July 2024)
▶ Port Pirie Regional Council Long-Term Financial Plan 2021-2031 (adopted 25 August 2021)
▶ Port Pirie Regional Council Annual Report 2023-24 (adopted 18 December 2024)
▶ Port Pirie Regional Council Annual Report 2022-23 (adopted 20 December 2023)
▶ Port Pirie Regional Council Annual Report 2021-22 (adopted 21 December 2022)
▶ Port Pirie Regional Council Community Plan 2025 – 2035 (adopted 27 November 2024)

The Commission notes that most of the Council's infrastructure asset base is covered by its existing AMP. Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,¹³ it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,¹⁴ are discussed in section 5.

The Commission has also reviewed the Council's template data which contain its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2021-2031 LTFP forecasts, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2013-14 onwards.¹⁵ The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line shows the cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (**RBA**) (Australia-wide) inflation forecasts to the December quarter 2026, and the midpoint of the RBA target range (2.5 percent) thereafter.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including a face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, consisting of:

ratio, but the Commission has adopted the previously suggested Local Government Association (**LGA**) target ranges as a basis for its analysis, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

¹² The F&A listed 29 analytical questions that the Commission has answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

¹³ LG Act s122(1g)(a)(i).

¹⁴ As required under s122(1b) of the LG Act.

¹⁵ The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

- ▶ its location as a regional Council
- ▶ its income level of \$27.6 million (in 2023-24), and
- ▶ the size of its rates base (around 10,424 ratepayers¹⁶).

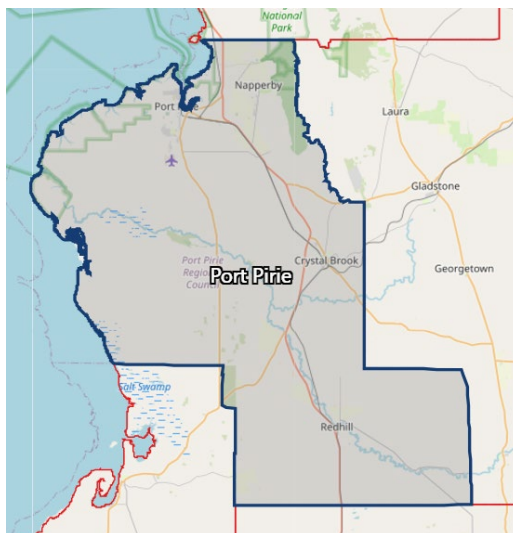
Throughout this Advice, the Commission has identified several key points and assigned the following risk category to those points:

Legend:  Low-risk  Moderate-risk  High-risk

¹⁶ Based on the estimated number of property assessments in 2023-24.

3 Council profile

The Port Pirie Regional Council is classified by the Commission as a Rural Agricultural Large and Very Large' council and is one of 19 in this category in South Australia.¹⁷ The Council is situated on the upper reaches of the Spencer Gulf in the Southern Flinders Ranges of South Australia. The Council area includes the city of Port Pirie and several regional towns and comprises 1,761 square kilometres.¹⁸ It has an estimated resident population of 17,602 (at 30 June 2023),¹⁹ and approximately 10,424 rateable properties (at 30 June 2024).²⁰



The Council region also has the following attributes:

- ▶ minimal rateable property growth of approximately 0.1 percent per annum over historical period²¹
- ▶ population density of 10 persons per square kilometre²²
- ▶ 1,368 kilometres of roads of which 75.6 percent are unsealed roads²³
- ▶ its largest employment sectors are in manufacturing (13.1 percent), retail trade (11.7 percent), education and training (8.3 percent), and accommodation and food services (6.8 percent),²⁴ and
- ▶ a median population age of 44.1 years.²⁵

¹⁷ Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at <https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y>.

¹⁸ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=46450>

¹⁹ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=46450>

²⁰ Based on the Council's Financial Reporting template provided to the Commission.

²¹ Based on the Council's Financial Reporting template provided to the Commission.

²² Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=46450>

²³ Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2022-23 Database Reports*, available at: https://www.dit.sa.gov.au/_data/assets/pdf_file/0008/1404728/2022-23-Database-Report.pdf.

²⁴ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=46450>

²⁵ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=46450>

4 Material plan amendments in 2024-25

The Port Pirie Regional Council has made various amendments to its 2024-25 LTFP and forward projections, partly for inflation and partly for other revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).²⁶ To ensure a comparable analysis of estimates between the 2021-22 and 2024-25 LTFPs, the Commission has reviewed the seven overlapping years' statistics: 2023-24 to 2030-31 and identified material amendments accordingly.

4.1 Key points



Seven years of the forecast data are compared as the 2021-22 LTFP forecast was the most recent version prior to the 2024-25 LTFP.



The Council reviews its inflation assumptions annually.



The Council has aligned its LTFP and ABP.

Table 2: Historical and forecast financial items

Selected Financial Item	Sum of 2024-25 to 2030-31 estimates in 2021-22 LTFP (\$ million)	Sum of 2024-25 to 2030-31 estimates in 2024-25 LTFP (\$ million)	Change in 2024-25 estimates (\$ million)	Change in 2024-25 estimates (percent)
Total operating income	228.9	258.4	+29.5	+12.9
Total operating expenses	225.7	255.3	+29.6	+13.1
Operating surplus / (deficit)	3.2	3.1	(0.1)	(2.8)
Capital expenditure on renewal of assets ²⁷	49.5	63.1	+13.6	+27.5
Capital expenditure on new and upgraded assets ²⁸	11.5	39.2	+27.7	+241.2

4.2 Changes to operating performance

The Council has budgeted (in its 2024-25 LTFP) for a marginal decline in its operating performance (across the forecast seven years), with a surplus of \$3.1 million compared to a surplus of \$3.2 million in the 2021-22 LTFP. In aggregate, the projections in its current and previous draft LTFPs (that is, over the seven-year comparative period to 2030-31, as shown in the table above) indicate the Council's cumulative operating performance is forecast to decline by \$0.1 million.

²⁶ This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items do not sum to totals.

²⁷ The capital expenditure estimates are based on the 2024-25 LTFP estimates provided by the Council to the Commission (in an Excel template).

²⁸ The capital expenditure estimates are based on the 2024-25 LTFP estimates provided by the Council to the Commission (in an Excel template).

The net change in the operating surplus between the two plans was immaterial, however, was made up of material items that largely offset each other. Some of the income and expenses amendments, compared to the 2021-22 LTFP, include:

- ▶ an increase in annual estimated rates and statutory charge income
- ▶ the inclusion of Roads to Recovery funding that was excluded from 2021-22 LTFP estimates
- ▶ higher financial assistance grant (**FAG**) funding that was previously underestimated
- ▶ the exclusion of income anticipated from land sales that did not eventuate, and
- ▶ increased depreciation expense due to valuation increases (20.0 percent in transport/road assets and 10.0 percent in buildings and structures).

The Council's historical and projected operating performance is discussed further in section 5.1.

4.3 Indexation adjustments

The Council has clearly stated its assumptions about inflation in its 2024-25 LTFP, and notes it reviews these assumptions annually.²⁹ It states its assumptions are based on Adelaide March CPI of 4.3 percent and All States CPI of 3.6 percent for the purposes of forecasting. The Council has assumed CPI inflation increases of 4.0 percent in 2024-25, 3.5 percent in 2025-26 and 3.0 percent thereafter. However, the LTFP does not specifically explain the reason for adopting different inflation estimates.³⁰

As the comparison LTFP was from 2021-22, it is not relevant to compare current indexation assumptions with previous assumptions given the higher inflation in recent years.

The Council has adjusted its forecasts for changes to income and expenditure. In the current LTFP it forecast a rate increase of 5.0 percent per annum and noted a significant increase in depreciation expense, which has been adjusted for both CPI, and a significant (but unstated) adjustment pertinent to increases in some asset values which are expected to be revalued over the next 2 years.

The RBA currently forecasts the CPI (Australia-wide) to increase by 2.8 percent in the year to the June 2025 quarter, by 3.2 percent in the year to June 2026, and thereafter 2.6 percent.³¹ The Commission acknowledges that the Council's stated assumptions for indexation in its 2024-25 LTFP are transparent and based on its review of these forecasts.

4.4 Increase to capital expenditure estimates

The Council's 2024-25 to 2030-31 LTFP indicates an increase in capital expenditure for asset renewals and for new and upgraded assets, compared to the 2021-22 to 2030-31 LTFP. Over the seven year projections in the 2024-25 LTFP, the Council has factored in a total of \$63.1 million in capital renewal and replacement works and \$39.2 million in new and upgraded capital works, accounting for 61.7 percent and 38.3 percent of the total capital expenditure program respectively.

The Council's roads and transport assets represent the largest asset class at 73.2 percent of total assets,³² and is a major focus of its renewal investment, projected to account for 62.2 percent (or \$36.8 million per annum in real terms) of asset renewal budgets for the 10 years between 2021-22 and 2030-31.³³

The Council's capital expenditure outlook is discussed further in section 5.3.

²⁹ Port Pirie Regional Council Long -Term Financial Plan 2025-2034, p. 6.

³⁰ Port Pirie Regional Council Long-Term Financial Plan 2025-2034, p. 6.

³¹ RBA, Forecast Table – August 2024 p. 6, available at <https://www.rba.gov.au/publications/smp/2024/aug/>.

³² Port Pirie Regional Council Strategic Asset Management Plan 2021-2031, p. 65.

³³ Port Pirie Regional Council Strategic Asset Management Plan 2021-2031, p. 65.

4.5 Changes between 2023-24 LTFP and annual business plan

The Council adopted both its ABP and LTFP in July 2024. The Commission acknowledges the good practice of the Council in aligning the development of these strategic documents. The key assumptions are the same for both documents however neither include any discussion of future risks that could occur after its adoption of plans (for example due to economic and environmental factors).

To develop stakeholder's understanding of the risks, benefits and community value related to delivering capital infrastructure and services,³⁴ the Commission recommends that the Council:

1. **Include** information related to risks and potential mitigation strategies in its Annual Business Plan and Long-Term Financial Plan documents.

³⁴ Australian Local Government Association, ALGA 2024 National State of the Assets report, p. 64.

5 Financial sustainability

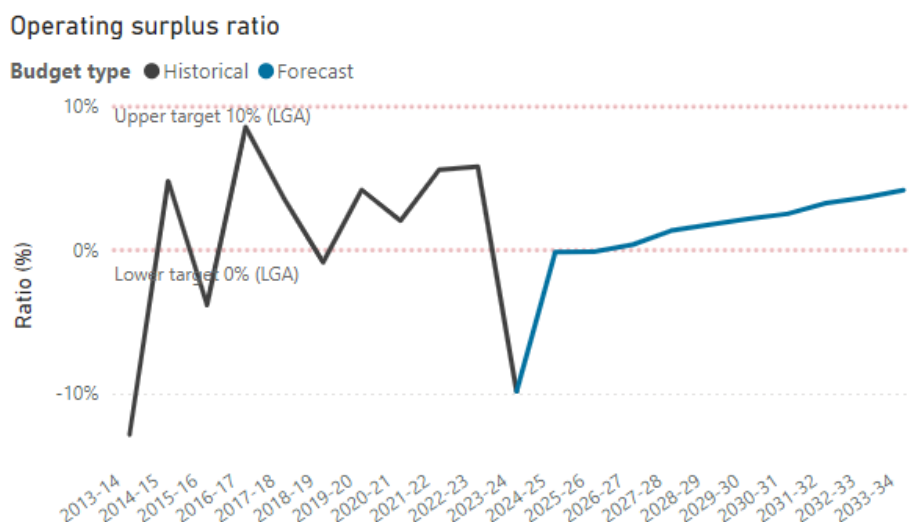
5.1 Operating performance

5.1.1 Key points

- ✓ The Council's annual average historical and forecast operating surplus ratios are within the Local Government Association (LGA) target range of zero to 10.0 percent:
 - ▶ Council is forecasting deficits in 2024-25 and 2025-26 after its depreciation expense is forecast to increase in line with an expected 20.0 percent revaluation increase to transport/road assets in 2024-25, and a 10.0 percent revaluation increase to buildings and structure assets in 2025-26.
 - ▶ To achieve operating surpluses from 2026-27 onwards, the Council is forecasting rate revenue increases of 1.0 percent over CPI for 2024-25 to 2026-27 then CPI increases thereafter.
- ⚠ Grant income is forecast to contribute on average 24.7 percent of total income for the 10 years to 2033-34. The Council is forecasting eight surpluses over that period with an average annual surplus of \$0.8 million. If the Council's grants revenue is reduced or delayed, it will be necessary for the Council to either adjust the timing or amount of expenditure or potentially charge higher rates, to achieve operating surpluses.
- ⚠ The Council is forecasting lower average cost growth than it has experienced over the past 10 years. If the historical cost growth trajectory is maintained, the Council will need to find savings or increase rates further, to achieve operating surpluses. The risk appears greater in the short term with deficits forecast for 2024-25 and 2025-26 and small surpluses forecast for the following two years to 2027-28.

5.1.2 Operating Surplus Ratio

Figure 1: Operating surplus ratio – historical and forecast



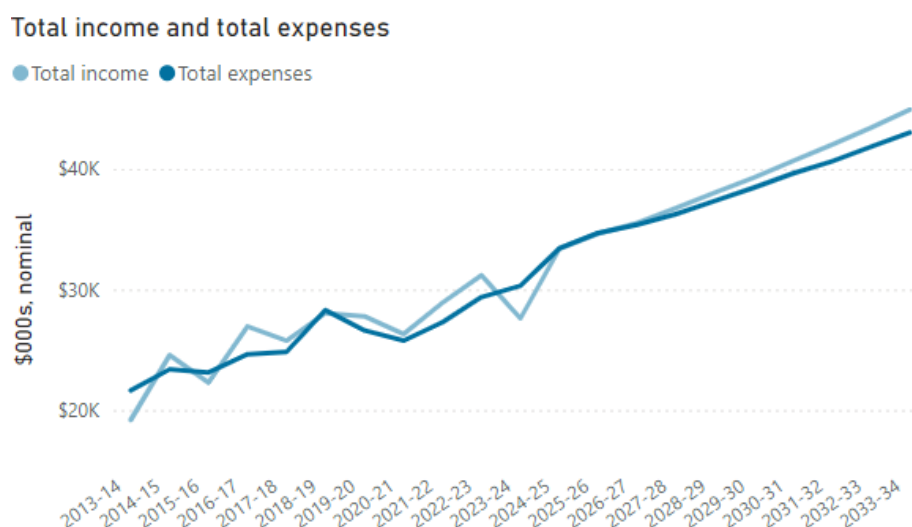
The Council achieved an operating surplus in seven of the 10 years between 2013-14 and 2022-23. The Council experienced some volatility in its Operating Surplus Ratio (OSR) (see Figure 1), however the average OSR of 1.7 percent was within the target range (established by the LGA) of zero to 10.0 percent.

The operating results in the historical period ranged from a deficit of \$2.5 million in 2013-14 to a surplus of \$2.3 million in 2016-17. On average, the Council achieved an operating surplus of \$0.6 million, indicating that the Council was operating at the lower end of the suggested sustainable range.

Between 2013-14 and 2022-23, growth in operating revenue averaged 5.6 percent, while the average growth in operating expenses was 3.5 percent.

Council's results for 2023-24 show an operating deficit of \$2.4 million and an OSR of negative 8.6 percent. The result was due to a delay in the Council receiving its financial assistance grants that were delayed to the following financial year. Over its forecast period from 2024-25 to 2033-34, the Council expects to achieve operating results near break-even for 2024-25 and 2025-26, followed by surpluses from 2026-27 onwards. The surpluses assume *annual grants, subsidies and contributions (grants)* of an average of 24.7 percent of total revenue, which is close to what Council achieved from 2018-19 to 2022-23, although grant revenue dipped to 8.1 percent of total revenue in 2023-24.

Figure 2: Total income and expenses – historical and forecast



5.1.3 Income

Over the historical period, the volatility in total income is mainly due to fluctuations in revenue from grants, which ranged from \$2.6 million in 2013-14 to \$7.8 million in 2022-23.

Grants income was 'lumpy' over the period often reflecting the timing of receipt of financial assistance grants (**FAGs**) (out of council control) and variations in receipt of grants for non-operating purposes. Revenue from grants over the historical period grew at an annual average of 13.2 percent, compared with average annual CPI of 2.6 percent over that period. A three-year average in grants of \$686 per ratepayer in 2022-23 compared with the three-year average of \$410 in 2015-16, reflects an increase in value in real terms.

Looking forward, Council forecasts annual average growth in grants of 4.2 percent between 2024-25 and 2033-34. The Council receives various grants from the state and federal government.

A portion of the Council's grants come from FAGs that are untied grants that help councils provide services to their communities. The FAGs are legislated, providing some level of certainty to councils, although the amount and timing of receipt of the grant is not consistent (as was the case in 2023-24). Other grant revenue tends to be uncertain in amount and timing. If grant revenue is delayed or smaller than expected, it becomes necessary for a council with significant reliance on grant revenue, such as this Council, to either delay or reduce expenditure or increase rates, to maintain an operating surplus.

Average annual growth in rates revenue was 4.1 percent in the historical period, partially attributable to a small annual growth in rateable properties of 0.1 percent. Rates revenue is forecast to grow at 3.1 percent per annum on average. Council notes that it plans to increase its rates at 1.0 percent above

their inflation assumptions for the next three years (2024-25 to 2026-27), however it will continue to assess inflation assumptions each year.³⁵

5.1.4 Expenditure

Expenses grew from 2013-14 to 2022-23 by an average of 3.5 percent per annum. Accounting for the slight increase in rateable properties over time, growth in expenses per property increased by 3.3 percent on average. This growth is less than 1.0 percent above average annual CPI inflation, indicating that Council exercised reasonable cost control over the period, which included higher than normal inflation following COVID (2021 to 2023). (See Figure 4 for perspective on actual expenses per property per annum.) On average, employee costs were 29.1 percent of total expenses while depreciation and materials/contracts costs were 27.1 percent and 42.8 percent respectively.

The Council's template data (provided to the Commission) shows that employee numbers are assumed to decline between 2024-25 and 2033-34, while no growth in the number of rateable properties is predicted. Historically, between 2013-14 and 2022-23, employee numbers decreased by 0.6 percent per annum on average and, for the same period, rateable properties growth was 0.1 percent per annum on average.

The Council's forecast average expense growth of 2.9 percent per annum is slightly above the RBA-based forecast inflation growth³⁶ and represents an improvement on the Council's past performance (with average annual growth of 3.5 percent in the 10 years to 2022-23).

Employee costs are anticipated to grow by an increase of 3.2 percent per annum on average between 2024-25 and 2033-34, which is higher than the RBA forecast inflation, though less than growth in employee costs in the historical period, which averaged 4.1 percent per annum. As a percentage of total expenses, employee costs are expected to decline from 29.1 percent in the historical period to a forecast 28.6 percent of total expenses.

Materials and contracts are also forecast to grow by 2.2 percent per annum on average, which is less than inflation and reflects lower growth than during the historical period (which averaged 2.6 percent).

Depreciation expenses are forecast to increase by 3.9 percent per annum on average between 2024-25 and 2033-34. Over this period the Council's depreciation expense increases by CPI year-on-year plus an adjustment for an expected 20 percent revaluation increase to transport/road assets in 2024-25 and a 10.0 percent revaluation increase to buildings and structure assets in 2025-26. The Council estimates that will equate to a cumulative increase in depreciation of \$1.2 million over the 2024-25 and 2025-26 years.³⁷ As a result of the depreciation increase, the Council is forecasting deficits in 2024-25 and 2025-26. However, there is still a risk the Council's indexed depreciation expense is less than needed as the Council may not fully understand the value and condition of its asset stock.

The Commission notes that the Council is forecasting lower average cost growth than it has experienced over the past 10 years. If the historical cost growth trajectory is maintained (primarily due to depreciation), the Council may need to either find efficiencies or increase rates further, to achieve operating surpluses. The risk appears greater in the short-term with a deficit forecast for 2024-25 and 2025-26, and small surpluses forecast for the next two years to 2027-28 (the Council is forecasting a negative operating surplus ratio of 0.1 percent in both 2024-25 and 2025-26, and an average of 0.9 percent in the following two years to 2027-28).

The Council is also proposing an additional rate rise component of 1.0 percent over CPI in 2024-25 to 2026-27 in order to achieve small operating surpluses in 2026-27 and 2027-28 and improving surpluses thereafter. Rates are discussed in more detail in section 6.

³⁵ Port Pirie Regional Council Annual Business Plan 2024-25, p. 33.

³⁶ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) thereafter.

³⁷ Port Pirie Regional Council, Long-Term Financial Plan 2024-25 to 2033-34, p. 34.

Figure 3: Expenses by category – historical and forecast

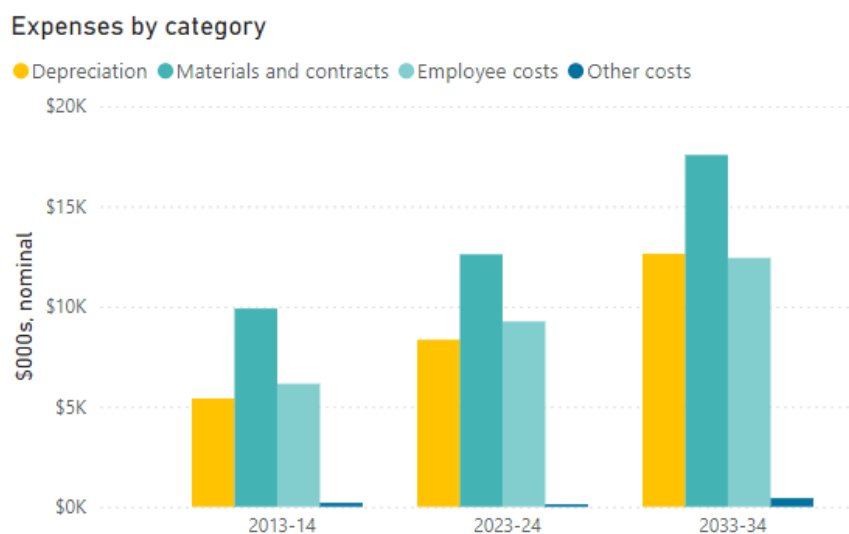
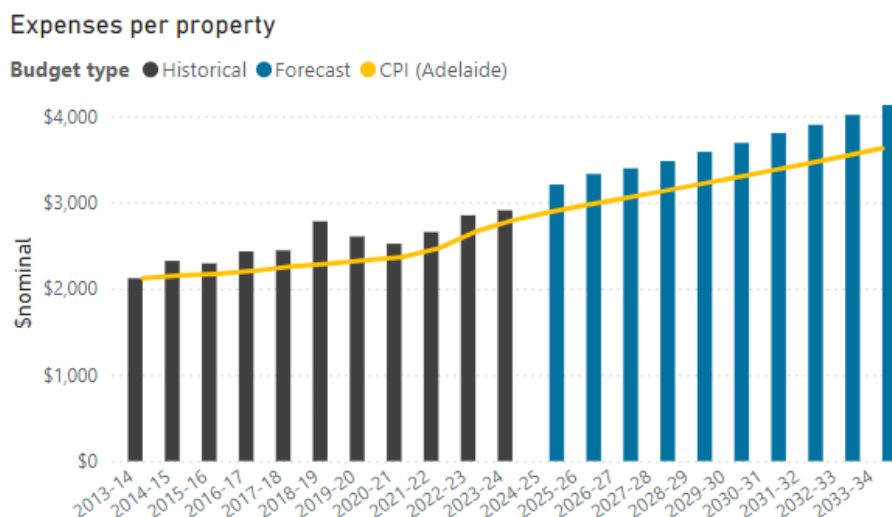


Figure 4: Expense by rated property - historical and forecast



Over the historical period, total expenses per rateable property increased by an average of 3.3 percent, somewhat above average CPI for the period of 2.6 percent.

Materials, contracts and other expenses is consistently the largest category of expenditure, averaging 42.8 percent of total expenses over the historical period and 41.0 percent over the forecast period.

The next-highest category of expenses as a proportion of total expenses is employee costs, at 29.1 percent over the historical period and 28.6 percent over the forecast period. Employee costs are progressively shrinking as a proportion of total expenses, due to an increase in depreciation expenses.

The *Depreciation, amortisation and impairment (Depreciation)* category averaged 27.2 percent over the historical period and 28.5 percent over the forecast period. Over the forecast period, the total expenses per property increases at an average of 2.9 percent per year, compared with average CPI of 2.6 percent.

5.1.5 Commission's recommendations on operating performance

In reviewing the Council's LTFP and ABP (applicable from 2024-25 and onwards), the Commission found little evidence of forecast cost savings or productivity targets that could assist the Council to reduce its cost growth and exposure to inflationary pressures. A focus on savings and productivity targets would assist Council to achieve its forecast of rate revenue increases in line with CPI from 2027-28 onwards. Therefore, the Commission recommends that the Council:

2. **Disclose** cost savings targets or productivity improvements in its Long-Term Financial Plans and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery; and publish achievements against the planned improvements.

5.2 Net financial liabilities

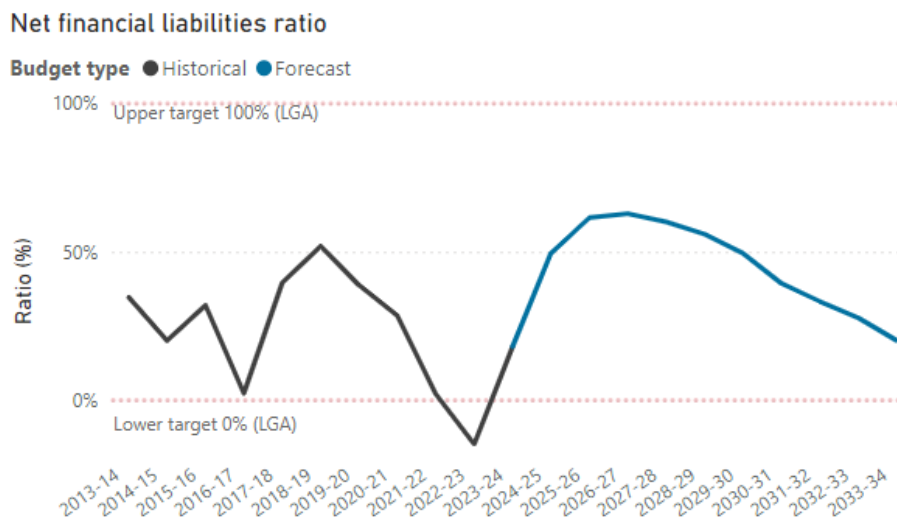
5.2.1 Key points

Key Points:

- ✓ Between 2013-14 and 2022-23, the net financial liabilities ratio (**NFLR**) averaged 23.5 percent, and is projected to be within the LGA target range from 2024-25 to 2033-34.
- ✓ Total borrowings peak in 2025-26 (at \$22.3 million) and then fall towards the end of the Council's planning horizon in 2033-34 (to \$9.9 million), materially decreasing debt servicing costs in the latter half of its LTFP.

The Council's NFLR was volatile over the historical period (see Figure 5) but remained within the LGA target range of zero percent to 100 percent for all years except 2022-23, when it dipped to negative 14.7 percent, mainly due to high cash holdings as at that year end. The NFLR averaged 23.5 percent over that period (see Figure 5) and is at a level that demonstrates that the Council is only accumulating liabilities that its operating income can reasonably service (see Figure 5).³⁸

Figure 5: Net financial liabilities ratio –historical and forecast



Looking ahead, the Council is forecasting its NFLR to average 46.0 percent between 2023-24 and 2033-34, which is comfortably within the suggested LGA target range. Over that period, the Council is projecting net borrowing repayments totalling \$25.7 million, and the NFLR is projected to decline from its peak of 62.9 percent in 2026-27³⁹ to 20.2 percent in 2033-34 (when borrowings are projected to total \$9.9 million) (see Figures 5 and 7).

³⁸ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

³⁹ Based on the Council's Excel template provided to the Commission.

The Commission notes the forecast pace of debt repayment appears appropriate given the Council is forecasting rate increases in line with its CPI forecast from 2027-28 onwards and is also forecasting to spend the required level on asset renewals. However, the Commission believes there is merit in the Council slowing its pace of debt repayment should either of those two circumstances not materialise.

Figure 6: Total income and net financial liabilities – historical and forecast

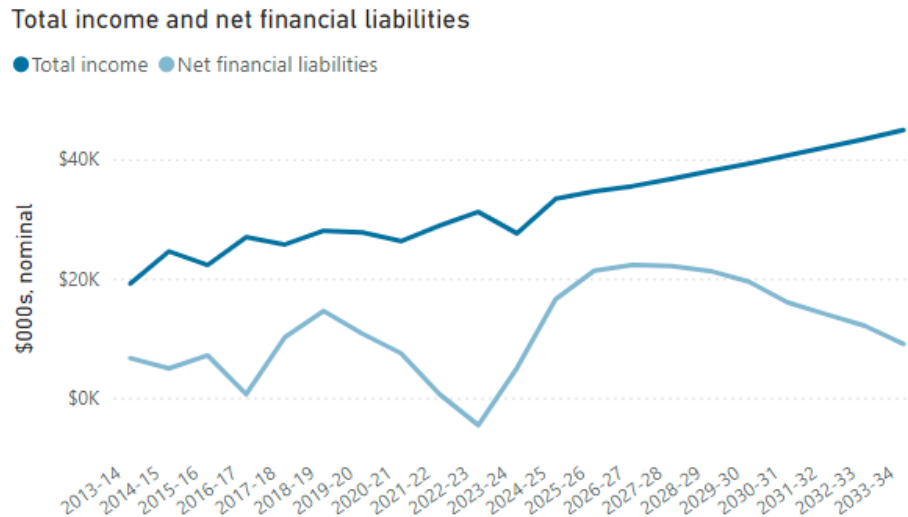
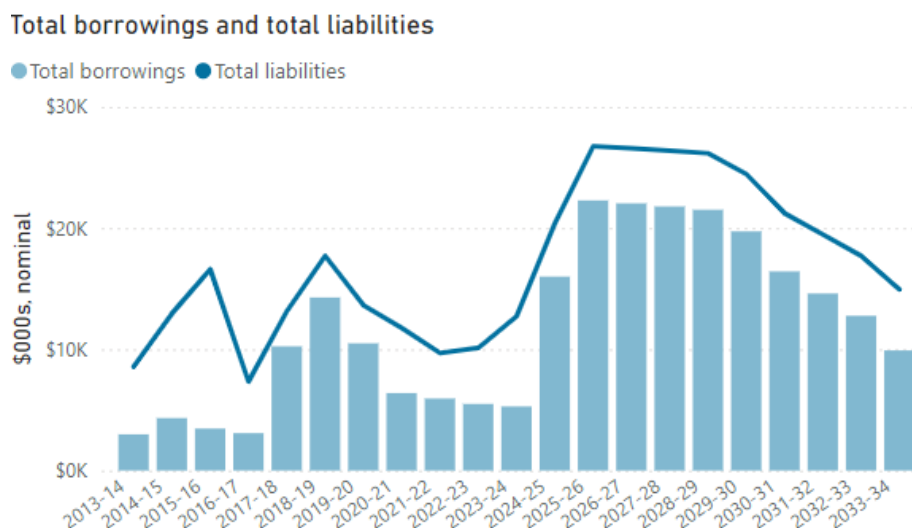


Figure 7: Total borrowings and total liabilities – historical and forecast



The Commission notes the Council's good practice of disclosing in its ABP details of its borrowing facilities, including the type of borrowing facility, amount borrowed, term, interest rate and estimated interest expense. The Commission also notes that the Council clearly sets out its borrowing assumptions in its LTFP.

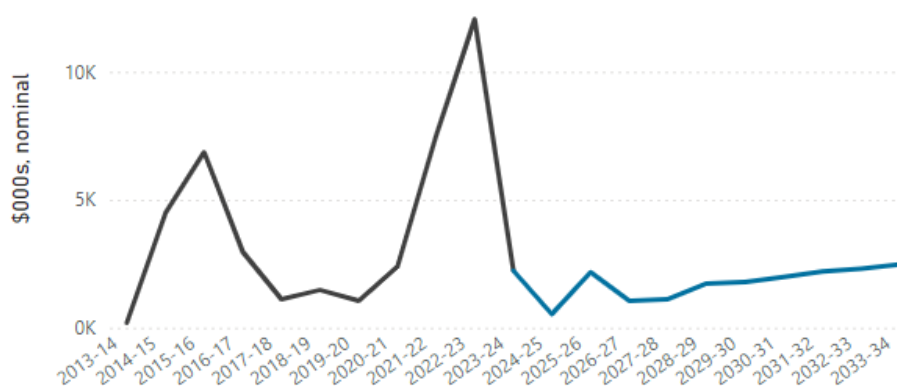
As at 2024-25, the Council had two cash advance debenture facilities totalling \$11.0 million with 5-year terms each. The Council also had one debenture loan for \$2.0 million with a 15-year term. The Council has identified the need to apply for a new CAD loan for \$3.0 million in 2024-25, with a 10-year term. The loan is required to fund the completion of the River Front Stage 1 Project infrastructure.⁴⁰

⁴⁰ Port Pirie Regional Council, Annual Business Plan 2024-25, p. 32.

Figure 8: Cash and cash equivalents at year end – historical and forecast

Cash and cash equivalents at year-end

Budget type ● Historical ● Forecast



Over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged \$0.5 million annually between 2013-14 and 2022-23.⁴¹ These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been effectively utilising its cash reserves to repay borrowings. This indicator is different to Figure 8, which shows cash held by the Council at the end of each year, including financing activities, which has averaged \$4.0 million per annum over the same period.

Looking ahead the Council is forecasting its net cash flows after operating and investing (that is, capital-related) activities to average negative \$0.5 million annually between 2024-25 to 2033-34. This indicator is impacted by the Council's increased capital expenditure in the first three years of its forecast which is higher than the annual average historically. The Council's net cash flows after operating and investing for the last seven years of its forecast is \$1.9 million.

The cash held by the Council at the end of each year, including financing activities, is forecast to average \$1.7 million per annum (between 2024-25 to 2033-34). Both indicators suggest that the Council has sufficient capacity for debt repayment and is not carrying excess levels of cash.

5.2.2 The Commission's recommendations on financial liabilities

In general, the Commission observes that the Council is generally conservative in its use of debt. The Commission notes the forecast pace of debt repayment appears appropriate given the Council is forecasting rate increases in line with its CPI forecast from 2027-28 onwards and is also forecasting to spend the required level on asset renewals. However, should either of those circumstances become at risk of not materialising, then the Commission is of the view there would be merit in the Council reducing its level of debt repayment to help minimise further average rate increases above inflation and to ensure its asset stock does not deteriorate. The Commission recommends that the Council:

3. **Continue** the good practice of including details of its borrowing facilities in its Annual Business Plan and consider introducing this information in its Long-Term Financial Plan.
4. **Consider** slowing its pace of debt repayment and allocate more funding to asset renewals should the Council fall behind in its asset renewals funding ratio.

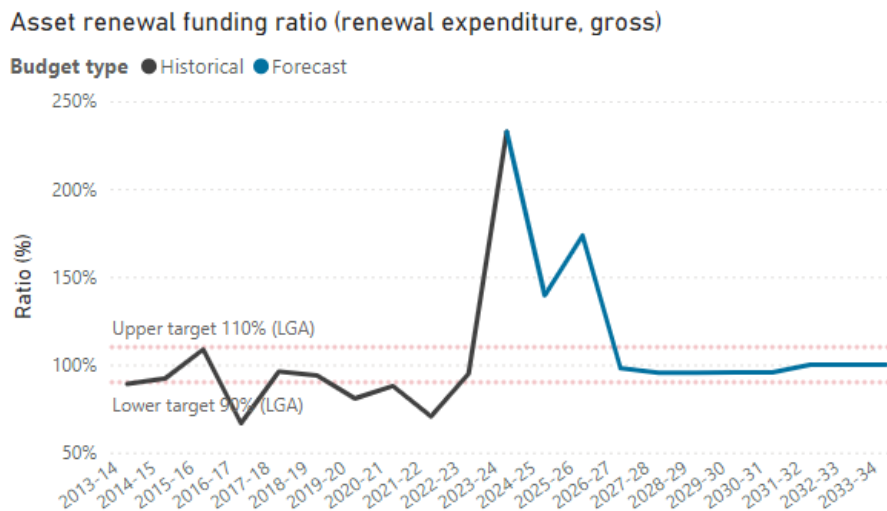
⁴¹ This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, and it may be able to service cash flow deficits for a long period of time.

5.3 Asset renewals expenditure

5.3.1 Key points

- ⚠ Between 2013-14 and 2022-23, the gross asset renewal funding ratio averaged 88.1 percent and is forecast to average 109.3 percent for the 10 years to 2033-34.
- ⚠ The Council's current AMP only has a capital expenditure forecast up to 2030-31.
- 🔴 The Council has not been indexing its asset values in between its revaluations which occur every four to five years.
- 🔴 The Council's AMP has an additional \$42.1 million of renewal and upgrade works that are not currently accounted for in the LTFP due to budget constraints. From this total, \$10.2 million is allocated for replacement and renewal of assets and \$31.9 million for new and upgrade capital expenditure.
- ⚠ Council is intending to source external funding such as grants and loans to fund these works that will be deferred until the funding is available, but it is unclear what additional level of expected borrowings will be needed and what level of funding the Council expects it can source from grants.

Figure 9: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



Historically, the Council has tended to slightly underperform against the suggested LGA target range for its ARFR,⁴² achieving an average of 88.1 percent over this period⁴³ (between 2013-14 and 2022-23). Figure 10 shows that for the historical period, the Council's actual spending was below the IAMP levels in five of the 10 years, in general showing that actual spending has not kept pace with the IAMP, assuming that the IAMP accurately portrays costs and useful lives of assets.

⁴² The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

⁴³ The quoted averages for the ratio are based on 'gross asset renewal expenditure' (before the sale of replaced assets) rather than 'net asset renewal expenditure'.

For the 2023-24 year, the ARFR ratio spiked to 232.6 percent⁴⁴ (see Figure 9), as the Council was recovering from delays in capital works due to difficulties in sourcing materials and contractors. The Council forecasts a further two years of spending above the target range as it continues to catch up on its asset renewals, then will return to within the target range for the remainder of the forecast period.

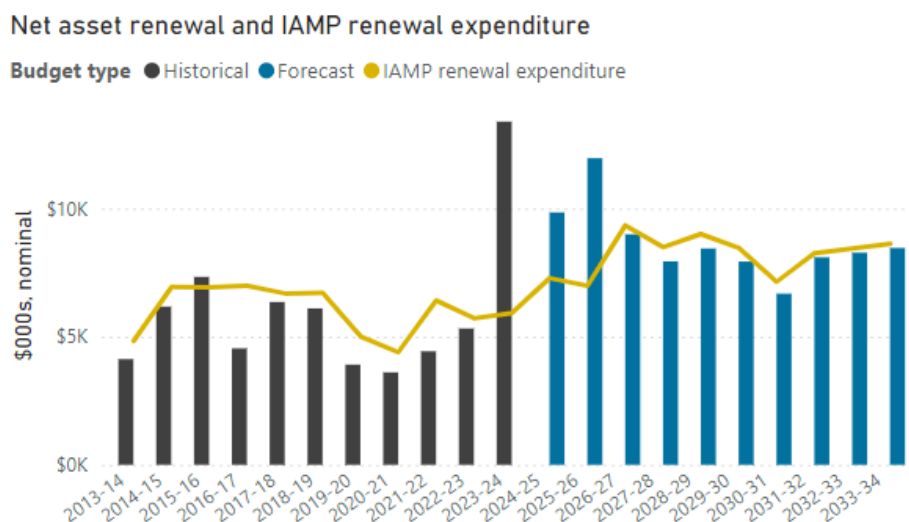
The Council's updated projections in its 2024-25 LTFP indicate it will continue to focus on its asset renewal spending priorities over the longer term (see Figure 10). From 2024-25 to 2033-34, the ratio is forecast to average 109.3 percent, reflecting the Council's intention to align to its AMP projections. Average annual spending on renewal or replacement of assets is projected to increase to \$8.8 million from its historical average of \$5.3 million (in nominal terms) (See Figure 11).

In January 2023, the Council reviewed and adopted its AMP, which is reflected in its latest LTFP, but the Council's forecast is limited to 2031. The Commission also notes that the Council's AMP has an additional \$42.1 million of renewal and upgrade works that are not currently accounted for in the LTFP due to budget constraints.⁴⁵ Of this amount, \$10.2 million has been allocated for replacement and renewal of assets and \$31.9 million is for capital expenditure and for new and upgraded items.⁴⁶ The Commission notes that the Council's 10-year annual average for its ARFR is still within the target range after adjusting for the \$10.2 million in unfunded capital renewal expenditure.

Council is intending to source external funding such as grants and loans to fund these works that will be deferred until the funding is available,⁴⁷ but it is unclear what additional level of expected borrowings will be required and what level of funding the Council expects it can source from grants.

If the Council is unable to secure external funding to undertake the \$42.1 million of capital works, then the Commission is of the view that the Council should consult with its ratepayers on their preferences for reduced or delayed service levels, additional debt, or additional rate charges.

Figure 10: Net asset renewal and IAMP renewal expenditure – historical and forecast



⁴⁴ The Council's 2023-24 unaudited result of 233.0 percent that can be seen in Figure 9 was based on the reporting template provided to the Commission. The Council's audited ARFR taken from its 2023-24 Annual Report was 273.0 percent.

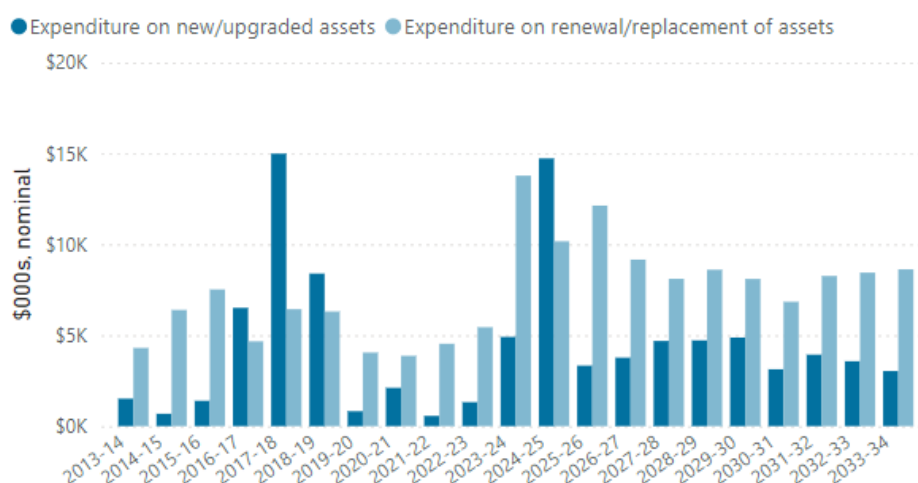
⁴⁵ Port Pirie Regional Council, Strategic Asset Management Plan 2021-2031, p. 2.

⁴⁶ Email to the Commission, Port Pirie Regional Council, 6 February 2025.

⁴⁷ Port Pirie Regional Council, Strategic Asset Management Plan 2021-2031, p. 2.

Figure 11: Total capital expenditure by category –historical and projected

Total capital expenditure by category

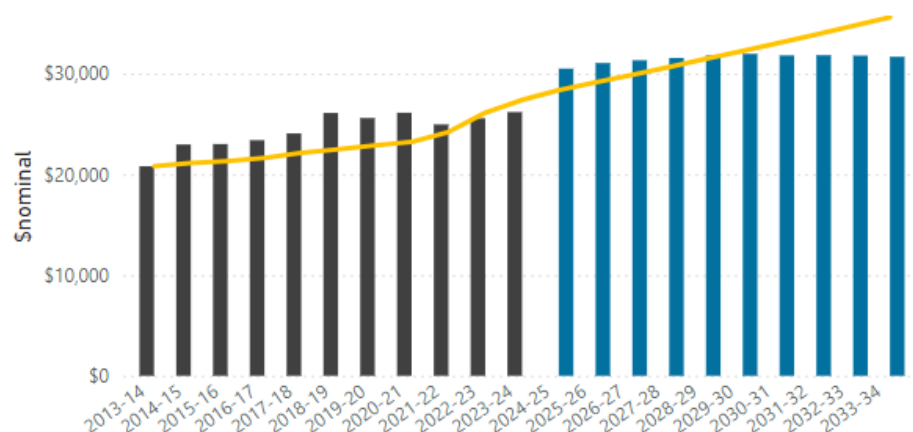


Historically, between 2013-14 and 2022-23, the Council's total capital expenditure averaged \$8.2 million per annum, of which 41.7 percent was allocated to new or upgraded asset expenditure. Over this period the average annual increase in the value of asset stock per property was \$529 or 2.3 percent. This growth rate was lower than the average CPI increase of 2.6 percent per annum during the same period⁴⁸ and indicates that the recognised value of Council's asset stock has fallen in real terms at 0.3 percent per annum between 2013-14 and 2022-23 (see Figure 12). This result can be partially explained by the Council not annually indexing its asset values over this period and performing external revaluations only every four to five years.

Figure 12: Value of asset stock per rateable property – historical and projected

Value of asset stock per rateable property

Budget type ● Historical ● Forecast ● CPI (Adelaide)



Looking ahead, the Council's average annual increase in the value of asset stock per property is forecast at \$130 or 0.4 percent. The result can partially be explained by the Council reducing its capital allocation for new and upgraded capital to 36.0 percent of its total capital expenditure over this period along with the fact that the Council does not appear to annually index its asset values.

⁴⁸ CPI Adelaide (All groups). Average annual growth in the Local Government Price Index published by the South Australian Centre for Economic Studies was similar (at 2.5 percent), available at <https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index>.

The value of asset stock has decreased in real terms. This could also potentially indicate the Council's projections of asset valuations (and associated depreciation) are unreliable or require further updates (as foreshadowed by the Council). It is also unclear whether the increase in the Council's capital expenditure over the 10 years to 2033-34 is accurately factored into its asset base. As previously stated, the Council's current AMP forecast is limited to 2031 and it is unclear how Council has documented its planned level of capital expenditure for the final three years of the LTFP.

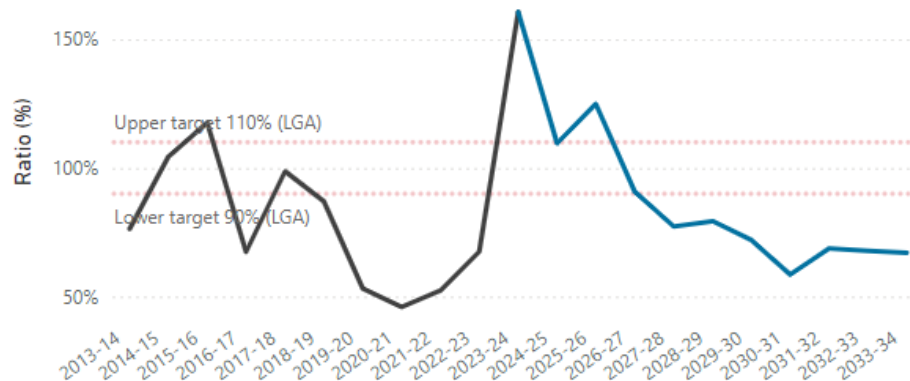
Notwithstanding the above and given the Council's has an additional \$10.2 million of unfunded capital renewal and replacement expenditure, the Commission believes it is appropriate for the Council to consider reducing its expenditure on new and upgraded assets and provide more funding for its asset renewals.

In addition, the Council has an additional \$31.9 million in new and upgraded capital expenditure in its AMP that it has not funded in its LTFP.

Figure 13. Asset renewal funding ratio (depreciation based) – historical and forecast

Asset renewal funding ratio (depreciation based)

Budget type ● Historical ● Forecast



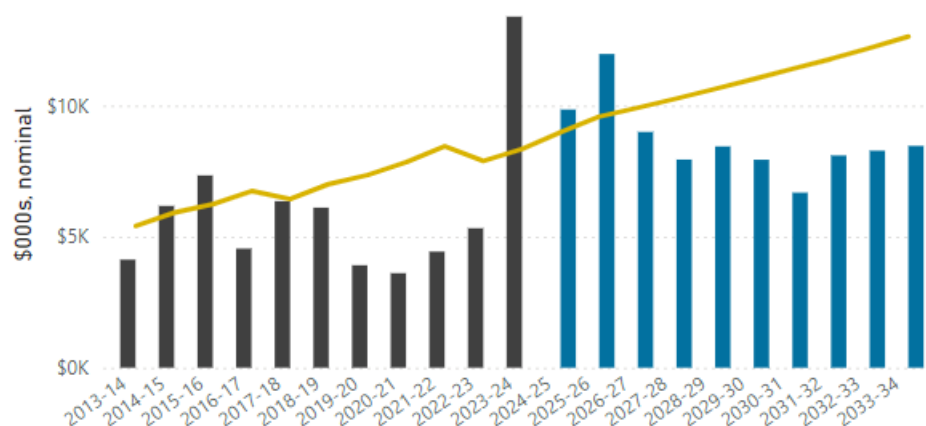
Figures 13 and 14 show that the Council underspent on asset renewals relative to Depreciation, amortisation and impairment (depreciation) in eight of the 10 historical years, and forecasts that it will do so in eight of the 10 forecast years. The Commission notes that, although the Council does not annually index its asset values, it is annually indexing its depreciation expense in its forecast. Council increases its depreciation expense by CPI year-on-year, plus an adjustment for an expected 20.0 percent revaluation increase to its transport/road assets in 2024-25, and a 10.0 percent revaluation increase to building and structure assets in 2025-26.⁴⁹

⁴⁹ Port Pirie Regional Council, 2024-25 Long-Term Financial Plan, p. 6.

Figure 14: Net asset renewal expenditure and depreciation – historical and projected

Net asset renewal expenditure and depreciation

Budget type ● Historical ● Forecast ● Depreciation, amortisation and impairment



The Council currently has an AMP that covers all major asset classes and has implemented a rolling schedule to update its plans in line with legislative requirements.⁵⁰ The Council advises that, following the community consultation phase, its AMP was reviewed and updated and was endorsed by its Asset Management Committee and the Council on 24 January 2023.⁵¹ However, as previously mentioned, the Commission notes that the AMP capital expenditure forecast extends only until 2031 and it is not clear how the Council forecasts its level of capital expenditure for the final three years of its LTFP.

In addition, given the size of the Council's asset base (\$263.5 million in infrastructure, property, plant and equipment assets in 2022-23), the Commission believes there is merit in the Council preparing separate asset management plans for each of its major asset groups to more accurately reflect detailed engineering studies of asset valuations, condition assessments, remaining useful lives and corresponding depreciation schedules.

The Council has a rolling schedule for condition assessment and revaluation (in subsequent years) for all major asset classes. The Council has allocated a recurrent budget to ensure adequate funding for this rolling program. Its current schedule includes:

- ▶ transport/road assets in 2024-25 (following the condition audit in 2023-24), and
- ▶ buildings and structures in 2025-26 (following the condition audit in 2024-25).

The Council advises that as part of its asset management planning (and end of year financial reporting) processes, it annually reviews the useful lives of its assets, and that useful lives are additionally reviewed when major asset revaluations occur (normally every five years for major asset classes).

5.3.2 The Commission's recommendations re asset renewals expenditure

Against this background, the Commission recommends that the Council:

5. **Undertake** formal valuations at least every four years and annual indexation of asset values between formal valuations, to maintain a more accurate understanding of current asset values and likely renewal and replacement costs.
6. **Prepare** separate asset management plans for each of its major asset groups to more accurately reflect detailed engineering studies of asset valuations, condition assessments and

⁵⁰ Under s.122(1a)(b) of the LG Act the Council must in effect develop and adopt an IAMP, relating to the management and development of infrastructure and other major asset classes by the council for a period of at least 10 years.

⁵¹ These include individual AMPs covering transport assets, public lighting, open space and recreation infrastructure, council buildings, fleet, plant and equipment, information technology, and water infrastructure.

remaining useful lives, and include these expenditure forecasts in the annual budget and annual Long-Term Financial Plan update.

7. **Consult** with its community on its preferences for delayed/reduced services, debt, or additional rate charges, if grants are not secured for the \$42.1 million of renewed and new assets that are not included in the Long-Term Financial Plan.
8. **Consider** prioritising asset renewal and replacement needs over expenditure on new and upgraded assets, to ensure that the requirements of the Infrastructure and Asset Management Plan are delivered and service standards maintained.

6 Advice on current and projected rate levels

6.1 Key points



Rate revenue per property increased at an average rate of 4.0 percent per annum over the 10-year historical period, which is above the average rate of inflation (2.6 percent over the historical period).



Affordability risk among the community for the further rate increases appears to be emerging, when considering:

- ▶ the Council's low socio-economic index for areas (SEIFA) economic resources ranking
- ▶ the current average rates (across most of its ratepayers) and
- ▶ the effect of forecast increases in rates per existing ratepayer of approximately 3.1 percent per property per annum for the period to 2033-34, which is above the forecast rate of inflation.

Figure 15: Average rates revenue per property – historical and projected

Average rates revenue per property

Budget type ● Historical ● Forecast ● CPI (Adelaide)

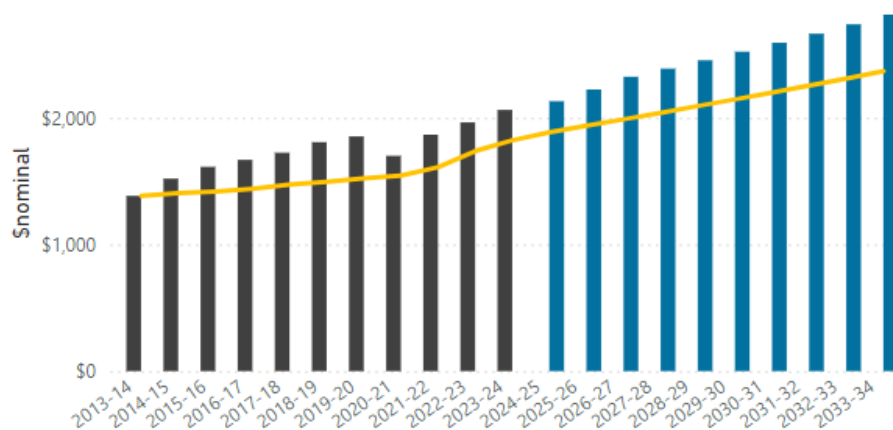


Figure 15 shows that average rates revenue per property consistently exceed the CPI average of 2.6 percent per annum, both historically and forecast. Average rates per rateable property grew at an average of 4.0 percent per annum over the historical period and are forecast to increase at an average of 3.1 percent per annum over the forecast period.

Figure 16: Income proportions (percent)

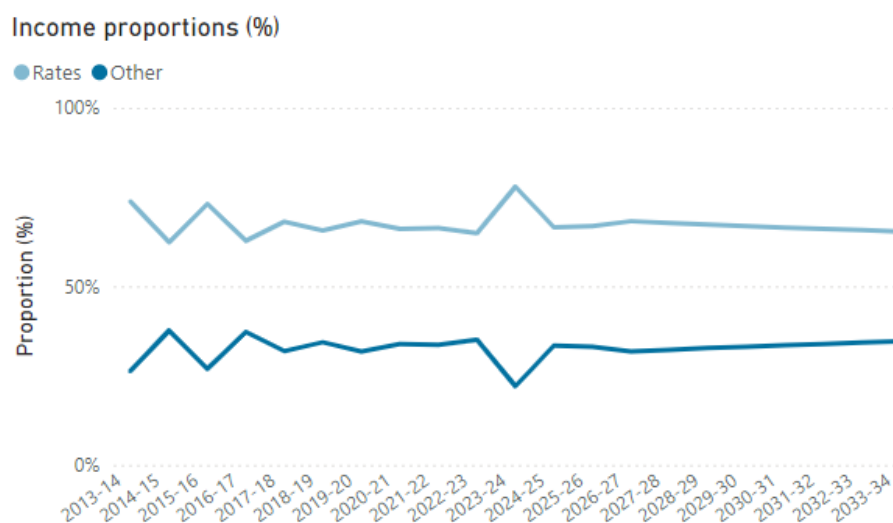


Figure 16 shows that the proportions of revenue types – rates revenue and all other – are relatively consistent. The spike in the proportion of rates revenue in 2023-24 is due to particularly low grants revenue in that year. Between 2013-14 and 2022-23, the two biggest contributors to the Council's total income were grants that contributed an annual average 23.1 percent of total income, and rates that contributed an annual average 66.8 percent. Looking ahead, the biggest two contributors to the Council's total income will still be grants that are forecast to contribute an annual average 24.7 percent of total income, and rates that are forecast to contribute an annual average of 66.7 percent of total income.

6.2 Proposed rate increases for 2024-25

The Council has budgeted for an average rate increase of 5.0 percent in 2024-25. The rate increase is based on the Council's CPI forecast of four percent plus and an additional 1.0 percent that includes growth in the number of rateable properties of 0.3 percent.⁵² These proposed rate increases are higher than the Council anticipated charging for the year 2024-25 in its 2023-24 ABP projections, which was 4.5 percent.

The Council has applied an additional 1.0 percent increase (part of which includes the growth of rateable properties) on top of CPI to ensure sustainability, after recording a deficit of \$2.4 million in 2023-24 and forecasting two small deficits in 2024-25 and 2025-26.

The Commission notes that the Council has differential rates based on the various land use categories or the locality.⁵³

On a proportional revenue basis, residential ratepayers account for around 60.4 percent of 2024-25 budgeted rates revenue, followed by primary production (13.8 percent), commercial (13.8 percent) and industry subzone (6.0 percent).

Other than 'general rates' revenue (which represents around 88.8 percent of total rates revenue in 2024-25), the Council also collects income from its waste collection charge (around 10.2 percent), CWMS charge (around 1.0 percent of total rates revenue) and the Regional Landscape Levy (around 1.6 percent of total rates revenue).⁵⁴

This LG Advice scheme is not intended to assess the Council's pricing compliance under the Water Industry Act.

⁵² Port Pirie Regional Council, 2024-25 Annual Budget, p. 43.

⁵³ Port Pirie Regional Council, 2024-25 Annual Budget, p. 56.

⁵⁴ Port Pirie Regional Council, 2024-25 Annual Budget, p. 55.

6.3 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rates increases per property of approximately 3.1 percent per annum from 2024-25 to 2033-34,⁵⁵ that is below its average historical increases (of 4.0 percent per annum), but above forecast CPI increases of 2.6 percent per annum. Council has considered several long-term planning assumptions as part of its annual review. The Council appears to incorporate appropriate indexation forecasts, which influence the Council's costs projections and rates revenue projections. As previously indicated, the Council has projected two operating deficits over the period to 2033-34.⁵⁶

The Council's 2024-25 LTFP effectively projects a cumulative increase of \$684 per existing ratepayer (to \$2,817 per annum) by 2033-34, which is above the RBA-based inflation forecast of an average of 2.6 percent per annum⁵⁷ (see Figure 15).⁵⁸ The percentage of the Council's total income contributions from ratepayers is projected to average around 66.7 percent, which is closely aligned with the historical average of around 66.8 percent, indicating there is not a material shift in funding required from ratepayers relative to the Council's other sources of income (such as grants, statutory charges, and user charges).

6.4 Affordability risk

Affordability risk among the community for these further rates increases appears to be emerging, on balance, when considering:

- ▶ the Council's relatively low socio-economic index for areas (SEIFA) economic resources ranking for the Council area⁵⁹
- ▶ the current average rates (across most ratepayers), and
- ▶ the effect of increases in rates per existing ratepayer of approximately 3.1 percent per annum or \$684 per existing ratepayer (to \$2,817 per annum) by 2033-34, which is above the forecast rate of inflation.

Overall, the current economic environment is putting pressure on many communities' financial capacity, including those in this Council area. As of 2020, the median total income for Port Pirie was \$48,080, compared with an Australian average of \$52,338.⁶⁰

6.4.1 The Commission's advice re affordability risk

The Council has used a range of approaches and media channels to inform its community on its proposed plans.⁶¹ However, it is not clear from the materials available to the Commission what the results of the Community feedback was in relation to the Council's latest ABP and LTFP. However, the Commission notes that the Council received only two written submissions, neither of which mentioned

⁵⁵ Based on the Council's Financial Reporting template provided to the Commission.

⁵⁶ Port Pirie Regional Council, 2024-25 Long-Term Financial Plan, p. 13.

⁵⁷ The forecast average annual growth in the CPI from 2025-26 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁵⁸ The CPI forecasts in the chart are based on RBA forecasts and then a return to long-term averages (2.5 percent per annum), and this can be different to Council's own inflation and rate increase assumptions.

⁵⁹ Port Pirie Regional Council area is ranked 9 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (e.g., 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

⁶⁰ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lga&rgn=46450>

⁶¹ The Council sought community engagement through online and written submissions; community drop-in events; and through verbal submissions at Council meetings.

the proposed rate increases. In addition, there were only three attendees at the Special Council meeting, and its public information sessions also attracted a small number of attendees.⁶²

As previously noted in this Advice, the Commission recommends a focus on finding cost savings. In addition, the Commission recommends that the Council:

9. **Continue** to minimise further average rate increases above inflation, to help reduce any emerging affordability risk in the community.
10. **Continue** the good practice of consulting with the community on its strategic management plans and on proposed rate increases and publish these results.

⁶² Koolunga Institute -15 attendees, Crystal Brook Institute – 4 attendees, and Wandearah Memorial Hall – 11 attendees.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ▶ ongoing performance against its LTFP estimates and how it has incorporated updates to asset valuations and depreciation to ensure that the LTFP is informed by current values
- ▶ capital expenditure programs, including how it has continued to provide funding to the renewal of its assets
- ▶ updates to its asset management plans, and associated updates to its capital expenditure projections and asset condition assessments
- ▶ the identification and reporting of cost savings
- ▶ the Council's efforts to minimise any emerging affordability risks, and
- ▶ greater reporting transparency, including a more in-depth discussion on its LTFP with its community on what it is willing to pay, and the service and asset stock this can accommodate.

8 Appendix: Glossary of terms

ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	<p>Asset Renewal Funding Ratio</p> <p>Since 2013, the asset renewal funding ratio has been defined as:</p> $\text{Asset Renewal Expenditure} \div \text{IAMP Renewal Expenditure}$ <p>Where IAMP Renewal Expenditure is that required according to the IAMP.</p>
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Port Pirie Regional Council
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
NFLR	<p>Net Financial Liabilities Ratio</p> <p>Net Financial Liabilities are defined as:</p> $\begin{aligned} &\text{Total Liabilities} \\ &\text{LESS Current Assets (Cash and Cash Equivalents)} \\ &\text{LESS Current Assets (Trade and Other Receivables)} \\ &\text{LESS Current Assets (Other Financial Assets)} \\ &\text{LESS Non-Current Assets (Financial Assets - excluding equity accounted} \\ &\text{investments in council businesses)} \end{aligned}$ <p>The net financial liabilities ratio is:</p> $\text{Net financial liabilities} \div \text{Total Operating Income}$
OSR	<p>Operating Surplus Ratio</p> <p>The Operating Surplus (Deficit) is defined as:</p> $\text{Total Operating Income LESS Total Operating Expenses}$

ABS	Australian Bureau of Statistics
	The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme



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Annual Report

Northern & Yorke Local Government Association

2024-2025

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority and continues in existence as a regional subsidiary of the Local Government Act 1999. In 2024 the Central Local Government Region of South Australia adopted the trading name of Northern and Yorke Local Government Association (N&YLGA) to which it is now referred.

The Northern and Yorke Local Government Association (N&YLGA)

Charter Clause 6.3 Annual Report

- 6.3.1 The N&YLGA must each year, produce an Annual Report summarising the activities, achievements and financial performance of the N&YLGA for the preceding financial year.
- 6.3.2 The Annual Report must incorporate the audited financial statements of the N&YLGA for the relevant financial year.
- 6.3.3 The Annual Report must be provided to the Constituent Councils by 30th September each year. The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority.

Contact details:

Address: PO Box 39, Bridgewater SA 5155

Telephone: 0403 008 331

Email: ceo@nylga.sa.gov.au

Website: <https://nylga.sa.gov.au/>





Board of Management

Council	Delegate Member
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare and Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Stephen McCarthy
District Council of Orroroo Carrieton	Mayor Grant Chapman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O’Brien (resigned), Acting Mayor Michael Phillips-Ryder; and new Mayor Bill Close
Northern Areas Council	Mayor Sue Scarman
Port Pirie Regional Council	Mayor Leon Stephens
Regional Council of Goyder	Mayor Bill Gebhardt
The Barossa Council	Mayor Michael (Bim) Lange OAM
The Flinders Ranges Council	Mayor Ken Anderson
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Darren Braund (resigned) and Acting Mayor Richard Carruthers

Office Bearers for 2024-2025

N&YLGA Chairman	Mayor Rodney Reid
Deputy Chairs	Mayor Ken Anderson Mayor Roslyn Talbot
South Australian Regional Organisation of Councils (SAROC)	Mayor Rodney Reid Mayor Roslyn Talbot
N&YLGA Chief Executive Officer	Mr Simon Millcock (June 2024-November 2025); Mrs Bridget Ransome (November 2024 to June 2025)
Auditor	ATA Audits





The following meetings of the Board of Management were held during the 2024-2025 year

N&YLGA Board Meetings	30 th August 2024 (including AGM) 29 th November 2024 9 th December 2024 (Special Meeting) 21 st February 2025 6 th June 2025	Clare & Gilbert Valleys Copper Coast Online Adelaide Plains Orroroo Carrieton
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There were four advisory committees in 2024-2025

Audit & Risk Committee	20 th August 2024 19 th November 2024 17 th February 2025 22 nd May 2025 28 th May 2025
Road Transport & Infrastructure Advisory Committee	6 th August 2024 22 nd April 2025
CWMS Advisory Committee	12 th August 2025
Waste Management Advisory Committee	A meeting was arranged, but there was insufficient quorum to proceed.

All agendas and minutes from the Board meetings and these committees are published in the N&YLGA website at this location: <https://nylga.sa.gov.au/>

All advisory committee minutes were provided with the agendas to the Northern & Yorke LGA board meetings.

The constituent councils during the year are provided with Board Agendas, Minutes, Annual Reports, Business Plan, Budget, Financial Reports and any other required documents.





COMMITTEE	MEMBERS
Audit & Risk Management Committee	Stephen Rufus, CEO (Chair) Mayor Rodney Reid Mayor Stephen McCarthy Mayor Ken Anderson Ian McDonald (Independent Member)
Executive Committee	Mayor Rodney Reid (Chair) Mayor Roslyn Talbot Mayor Ken Anderson Paul Simpson, CEO Barunga West
Road Transport & Infrastructure Advisory Committee	Mayor Leon Stephens (Port Pirie) Lee Wallis (Goyder) Steve Kaesler (Barossa) Tim Neumann (Copper Coast) Andre Kompler (Yorke Peninsula) Russell Troupe (Department for Infrastructure and Transport) Daniel Willson (RDA Yorke and Mid North) Stuart Roberts (Wakefield) Mitchell Foote (Flinders Ranges) Scott Reid (Northern Areas)
Community Wastewater and Management Advisory Committee	Mayor Leon Stephens (Pirie) Gary Easthope (Clare and Gilbert Valleys) Grant Smith (Yorke Peninsula) Nathan Berry (Light) Kirsty Morgan (Wakefield)
Waste Management Advisory Committee	Mayor Mark Wasley (Adelaide Plains) Simon Neumann (Copper Coast) Tom Jones (Adelaide Plains) Robyn Ridsdale (Barossa) Glen Growden (Wakefield) Andrew Kompler (Yorke Peninsula) Megan Renzella (Light)

CHAIRMAN'S REPORT

MAYOR RODNEY REID

The 2024-2025 year has seen many changes.

Simon Millcock had been our Chief Executive Officer of Legatus/N&YLGA for several years. It was a decision of the board not to renew his contract but encouraged him to apply for the position. Simon chose not to apply.

I thank Simon for his contribution to the organisation.

In October 2024 N&YLGA appointed our new Chief Executive Officer, Bridget Ransome, who commenced in November. Bridget has spent time addressing the need to update the organisation's records and there were many issues with the bank but hopefully these have all been sorted. She methodically tackles everything we ask her to attend to.

I am pleased to say that Bridget has made herself available for all council's Mayors/Chief Executive Officers to gain an understanding of what priorities each council may have within the group. She has also built relationships with Chief Executive Officers of other Regional Local Government Association (LGA) groups.

Bridget is working with two RDAs and the Landscape Board as part of the Regional Alliance.

Colin Davies had supported the N&YLGA as a finance contractor. In April/May 2025 Colin resigned from his finance officer role. I thank Colin for his handling of the finances since taking them on from Flinders Council staff.

At the same time that Colin resigned I was made aware that the LGA SA may be considering handling the Limestone Coast LGA finances from July. Bridget and I spoke with senior staff at the LGA SA and then, endorsed by the board we entered into a trial with LGA SA managing the N&YLGA finances until June 2026. So far this is working well and as can be seen in the reports it is meeting our financial reporting needs

This year within N&YLGA we saw two Mayors, Bill O'Brien, Mayor of Light Council and Darren Braund, Mayor of Yorke Peninsula Council, resign from their positions.

I have always appreciated Bill's knowledge of decisions made by Legatus and N&YLGA. For many years he was a Deputy Chairperson, and I do miss my conversations with Bill.

Darren brought great wisdom and a willingness to contribute as needed to our meetings. I valued his support of me taking on the Chairperson's role.



Many CEOs have resigned from councils within our region requiring councils to have interim and or acting CEOs. I have always advocated for CEO's being present in our discussions and listening to our decision-making at N&YLGA meetings. They often need to act upon them. Various CEOs have sat on our advisory committees as well.

Regardless of the time span that you have been at a council in the N&YLGA I thank you for your contributions, knowledge sharing and follow up as required. Our advisory committees provide local knowledge and expertise.

Mayors Roslyn Talbot and Ken Anderson are the current deputy chairpersons and are twelve months into their two-year appointments. We have had many Executive meetings throughout the year, and CEO Paul Simpson has also been part of this. Sharing thoughts and ideas makes my role easier and has greatly influenced our board meeting agendas.

Bridget has met all our local MPs both State and Federal. She has also interacted with many others. Bridget and I sat in the Gallery of the Legislative Council to listen to the bill presented by Hon Frank Pangallo MP, regarding the rating of sites involved with electricity generation. Bridget presented to the Country Cabinet held at Mallala on behalf of the N&YLGA in March of this year.

I have represented N&YLGA at Regional Alliance Meetings and attended functions hosted by Landscape SA, RDA and/or local councils.

This year Mayor Talbot and I have been the SAROC representatives for fourteen of our councils and Mayor Stephens has represented Port Pirie Council through the Spencer Gulf Cities group. SAROC has also had a year of changes with their terms of reference and procedures experiencing an ongoing review.

I maybe your chairperson, but the success of the N&YLGA is built on the support and encouragement we offer each other as Mayors and staff of neighbouring councils. In our major review of the organisation, we believed that having fifteen councils as one voice when needed makes us very influential in the local government sector in South Australia.

I am humbled by your patience and support personally for me throughout 2024-2025 and look forward to leading N&YLGA to greater sharing and building of our region in the 2025-2026 year.



29th August 2025
Mayor Rodney Reid
Chairperson
Northern and Yorke Local Government Association

NYLGA
NORTHERN & YORKE
LOCAL GOVERNMENT ASSOCIATION



CEOs REPORT

BRIDGET RANSOME

I commenced in the role of Chief Executive Officer on 25th November 2024, excited to be taking on a new opportunity and also returning to local government after a four-year absence.

I am grateful to Simon Millcock the previous CEO for a hand over period in the initial first three weeks of the role.

I cannot report on the months July – November 2024 for the period that Simon was CEO, except to list some of the activities that were undertaken during this period:

2024	Activity	Organisation/Comment
July	Regional LGA grants proposal	Covering 2024-25 period
	Tourism Forum	UniSA
	Regional Roads Forum	Melrose
	SAROC Meeting	LGA
	Standing Committee on Regional Infrastructure and Transport	LGA
	CWMS	Discussion
	Lifeline	Volunteer Australia
	Road Transport & Infrastructure Advisory Discussion	N&YLGA
August	Lifeline	Volunteer Australia
	Road Transport & Infrastructure Advisory Meeting	N&YLGA
	SA Community Foundation Initiative	The Healthy Collective
	Audit & Risk Management Committee	N&YLGA
	Regional Development Funding opportunities	UniSA
	AGM	N&YLGA
September	SAROC	LGA
	Roads and Waste Committee	N&YLGA
	Regional LGAs	Get together
	SA Suicide Prevention Council	Port Pirie
October	Executive Committee	N&YLGA
	Climate Risk Community of Practice	LGA
	Suicide Prevention	Conversations
	SA, NT, WA Regional CoP	Climate Change
	Community Resilience	Northern & Yorke
	CWMS Project Discussion	N&YLGA
	Special Meeting	N&YLGA
November	Agenda Ordinary Meeting	N&YLGA
	Audit & Risk Management Committee	N&YLGA
	Executive Meeting	N&YLGA
	Tourism Symposium	UniSA
	LGA AGM	LGA

In my first week as CEO, I attended the November Board meeting of the Northern & Yorke LGA and met the mayors of the fifteen councils, and some of the CEOs and invited guests that were in attendance.

To understand the requirements of the role I was advised to follow the *Annual Business Plan* document, which has helped me to organise priorities for the association. I offer these in key headings within this report.

Advocacy Plan

The first time I organised a board meeting for N&YLGA was the February 2025 meeting. Directly following the formalities of the meeting, we held an advocacy workshop with members. This workshop identified the following as most important to the councils at that time:

- Water (connectivity/access, especially for new housing developments)
- Childcare
- Health Services
- Roads and Transport
- Cost shifting.

I was also advised that the previous CEO conducted a member survey in August 2024 and the results of this survey also helped in understanding as to those items considered to be most important to the region from an advocacy perspective. As well as the above-mentioned items, other issues include:

- Regional high-speed broadband access
- Housing
- Local Government legal fees
- Rating Equity – Power Generators
- Centralised Model of Mental Health Service delivery
- Increased Commonwealth assistance grants
- The removal of barriers to State and Federal grant programs
- Increased funding for tourism and promotion of the region
- Increased funding for regional waste infrastructure.

These items have been summarised in further detail about each issue in the *N&YLGA Advocacy Plan*, which I presented to the board at its June 2025 meeting, and which was subsequently endorsed at that meeting.



Prior to the June meeting I also presented key issues at the Premier's Country Cabinet in March 2025 and received a favourable response from the Premier.

During the first 3-6 months in the role of CEO I also met with most of the member council Mayors and CEOs; members of the Flinders Alliance; and Members of Parliament for the Northern and Yorke region.

I also attended the ALGA Conference in June 2025 in Canberra, which gave me great insight into the issues impacting local government councils across Australia. During the conference I also attended a briefing with the Federal Minister for Local Government Hon Kristy McBain MP.

2025-26 Annual Business Plan

A requirement of the CEO role is to review and update the *Annual Business Plan* for N&YLGA. The review is conducted annually at the completion of the financial year.

This review included an update on the finances, after a budget review which I carried out in preparation for the February 2025 Board meeting, and which was endorsed by the board at that meeting.

The *Annual Business Plan 2025-2026* guides the priorities of the association over a rolling 4-year period, and this replaces the need for a long-term financial plan. The plan was approved by the board at the 6th June 2025 Ordinary meeting.

Board Meetings

I have attended and arranged the board papers for the following Ordinary Meetings of the association since I commenced in the role of CEO:

- 25th November 2024 (Copper Coast as an observer)
- 21st February 2025 (Adelaide Plains)
- 6th June 2025 (Orroroo Carrieton)

At the February meeting, I arranged three presentations as follows:

- Childcare Model, Michael French
- Equip Psychological Well-being program for regional communities, Dr Amanda Taylor, University of Adelaide
- 2025 Small Town Re-invention Conference, Hon Tony Piccolo MP.

As a result of the presentations, Orroroo Carrieton Council agreed to participate in the Equip program; and the Board approved N&YLGA sponsoring the 2025 Small Town Re-Invention Conference.



At the June meeting, I arranged the following presentations:

- Tom Venning (Liberal for Grey)
- Heather Holmes-Ross (President, LGA)
- Tim Viner-Smith (HDS Consulting, Road Transport Plan Update).

Communications Plan

I prepared and presented a Communications Plan for the N&YLGA which was endorsed at the June 2025 Board Meeting.

The plan was put together after reviewing the current website of N&YLGA, social media and general communications profile. The emphasis of the plan going forward is to lift the profile of the association to ensure visibility to state and federal government agencies, and to be the point of attraction into the region for on-going engagement.

I have commenced implementing the plan and can advise the following:

- A new logo brand was approved at the June board meeting and has started to be implemented across documents and reports
- Work will commence on the updating of the internal file structure of the organisation in September 2025
- IT services have been consolidated into one location out of Clare
- Meetings have been conducted with a web designer in relation to building a new website
- Social media is on-going utilising the new brand.

Financial Services

In March 2025 I initiated a review of the finances in consultation with the Chairman N&YLGA and the Chair of the Audit & Risk Management Committee.

The financial services of N&YLGA had not been reviewed for several years, and so it was timely to initiate this, and to implement more rigour around the financial controls of the association.

As a result of the review the existing contractor, Colin Davies, chose to resign and negotiations were then undertaken with LGA to provide financial services going forward. LGA has been providing services since May 2025 and it was negotiated as a 12-month initial contract, which is working very well at this time; and has seen all financial reporting streamlined to a more user-friendly format.

At the time of updating the financial services provider, all signatories at bank were also updated.



Also, in preparing the paperwork for the first Audit & Risk Committee meeting I noticed that although the Board had approved the appointment of a new Auditor, it had not been progressed. This has now been rectified, with ATA Audits confirmed and on board as the new auditor. The auditor has prepared the financials for the August 2025 AGM, with no issues apparent in financial operation at this time.

IT Services

The IT contractor for the association decided to move his business activities away from the type of services offered to N&YLGA.

As a result of this, I consolidated N&YLGA's IT based services to Honeycomb Design located in Clare. Honeycomb currently support our website and provides adhoc design services as required.

With the changeover it has been identified that N&YLGA is currently holding a number of licences that are considered unnecessary, and I am working with them to streamline our operations in this regard.

Policies and Procedures

The policies and procedures of N&YLGA have not been reviewed for several years. I am currently reviewing and updating these policies, and they will be presented at forthcoming board meetings for review and ratification by the board.

Road Transport and Infrastructure Advisory Committee

The Road Transport and Infrastructure Advisory Committee (RTIAC) met on 22nd April 2025. At this meeting we conducted the scoring of the SLRP applications received from N&YLGA councils. I wrote up supporting notes from this meeting and then worked with Tim Viner-Smith of HDS Consulting to refine the grant applications.

I was pleased to be advised that N&YLGA were awarded all 6 projects submitted under the SLRP this year as follows:



Road	SLRP Funding	Priority Score
North Coast Road Stage 3 Pt Turton Yorke Peninsula Council	\$1,460,000	1
Bethel Road Stage 2 Light Regional Council	\$1,333,000	2
College Road Light Regional Council	\$1,333,000	3
Hart Road Adelaide Plains Council	\$ 559,667	4
Vandeleur Road Clare & Gilbert Valleys Council	\$1,080,000	5
Bruce Road Clare & Gilbert Valleys Council	\$ 736,000	6
TOTAL FUNDING APPLICATIONS	\$6,501,667	

N&YLGA will shortly be invoicing the councils that were successful at 0.64% of each grant, in return for the association’s scoring and support of submissions and advice supplied by HDS Consulting.

I continue to liaise with Tim Viner-Smith on the review of the Road Transport Plan for the Northern & Yorke region.

Community Wastewater Management Scheme (CWMS)

I inherited a CWMS project from the previous CEO entitled: *Climate Resilience Community Wastewater Management System Through Data Driven Awareness and Connectivity for Regional SA Communities*.

I attended a briefing for this project at Mawson Lakes with the project team, and from there I progressed discussions with Mt Remarkable Council, and they agreed to be one of the councils participating in the study.

I have contacted the previous members of the CWMS Committee for N&YLGA and have received mixed reactions as to the need and purpose of the group. Some members feel it is no longer required, whilst others have indicated that it would be important to continue with this committee. I arranged a meeting on 12th August 2025, and some members attended including David Eggers of the LGA. It was a good robust discussion, and I will be progressing some items in relation to CWMS training at the local officer level in councils, due to the outcomes of this meeting.

Since I commenced in my role, I have had regular meetings with David Eggers and will continue to ensure that the N&YLGAs CWMS committee continues to meet on a regular basis.



Governance

I continue to action all of the relevant administrative duties attached to preparing agendas, minutes and correspondence, including guest presenters in relation to N&YLGA meetings, which include:

- Board meetings
- Audit & Risk Committee
- CWMS Committee
- Road Transport & Infrastructure Advisory Committee
- Executive Committee
- Waste Management Advisory Committee.

These committees met as follows during the 2024-2025 financial year:

N&YLGA Board Meetings	30 th August 2024 (including AGM) 29 th November 2024 9 th December 2024 (Special Meeting) 21 st February 2025 6 th June 2025
Audit & Risk Committee	20 th August 2024 19 th November 2024 17 th February 2025 22 nd May 2025 28 th May 2025 (online)
Executive Committee	22 nd August 2024 1 st October 2024 19 th November 2024 14 th February 2025 30 th May 2025
Road Transport & Infrastructure Advisory Committee	6 th August 2024 22 nd April 2025
CWMS Advisory Committee	12 th August 2025
Waste Management Advisory Committee	A meeting was arranged, but there was insufficient quorum to proceed.

SAROC

I have provided regular reports on time prior to each SAROC Meeting. Reports include a summary of the regional priorities, activities and initiatives being carried out by N&YLGA.





Regional Alliance

I am a member of the Regional Alliance, and I organised the June meeting, as this activity rotates amongst regular participants.

I have been working with alliance members on a range of initiatives including:

- Drought (allocation of priorities for the \$300k provided to the region for activities beyond the \$55m provided by the State Government) – as per initiatives listed in the Regional Drought Resilience Plan
- Joint submission on the Draft Yorke Peninsula and Mid North Regional Plan
- RAA Mid-North Regional Road Assessment project
- Business Mentoring program in collaboration with Honeycomb Design, Clare.

Other items

Media Training: I recently organised media training for some Mayors and CEOs within the Northern & Yorke region.

The media training was presented by journalist and media personality Graeme Goodings, along with his cameraman David Hales. Participants presented both to camera and were also mock interviewed on a relevant issue during the training.

All participants have been sent personalised feedback from Graeme Goodings upon completion of the training.

Campaign Monitor: I have implemented an electronic e:newsletter to keep in touch with member councils and regional stakeholders and to inform them of both N&YLGA initiatives and activities; and other types of opportunities that may be beneficial to the region. I have received very positive feedback about the electronic e:newsletter and continue to send them out on a monthly basis.

2025 Small Town Reinvention Conference: I have met with the organiser, Peter Kenyon of the Bank of I.D.E.A.S. Northern & Yorke have also undertaken a silver sponsorship of the event which is being held in Kapunda this September.

I have been asked to MC one of the days of the conference and ensured that our logo is being featured on all promotional materials.

Five Nations Board: N&YLGA contributes financially to support the Five Nations Landscape Board. Members of the Regional Alliance have all committed to providing funding in support of the board. We were invoiced to contribute \$3,000 on an annual basis and when I went back over the minutes, I noticed all other agencies were contributing \$2,000 per annum. After following this up I managed to have our contribution reduced to \$2,000 per annum.

I have also written to each of the Indigenous leaders within the Five Nations Board confirming our support and inviting them to present at a forthcoming N&YLGA Board meeting.

Other Regional LGAs: I have been connecting with the other CEOs of regional LGAs as there are a number of new appointments. We regularly connect to share challenges, information and any issues. This has been a very helpful group for me as a relatively new CEO to the association.

Grants: Regional LGAs are provided with \$40,000 from the LGA each year to progress regional initiatives. I have reported on the previous projects that were implemented by the previous CEO to finalise the acquittal process for the 2024-25 grant period.

I have submitted grant requirements for the 2025-2026 period with the following projects:

- Waste Management webinar series for council staff
- Get Home Safe Foundation road safety project for Flinders Ranges Council
- Community Plans for 4 townships impacted by Algal Bloom in the Yorke Peninsula council area.

In addition to the above grant, I have also secured the following:

- \$47,300 for business mentoring for drought impacted businesses
- \$38,500 for Stage 2 of the Desert Childcare Advocacy Project
- \$11,000 for business mentoring for businesses impacted by the Golden North closure in the Northern Areas Council.

Climate Change Adaptation Plan: This is regularly discussed in Regional Alliance Meetings. I am also a member of the LGAs RCP Climate group that meets online to share ideas and initiatives.

I attended the LGAs Climate Ready Regions Workshop in Clare and agreed to liaise with the LGA on initiatives emanating from this project on behalf of councils in the Northern & Yorke region.

I introduced the Equip project to the region and this will deliver climate adaptation on the ground in the local community of Orroroo Carrieton. I also continue to manage the Community Disaster Prep website which is under the N&YLGA responsibility. Link: [Home - Preparing your community for disasters & emergencies](#)

Waste and Resource Recovery Strategy and a Waste Management Action Plan: I have met with the CEO of KESAB to discuss regional initiatives around waste management, and this has led to the potential funding of the Waste Management webinar series for council staff.



The Waste Management Strategy 2021-2026 for the region is also due to be updated. I have met with Rawtec consultants as the previous consultants employed to produce the strategy, and they have submitted a proposal to conduct the review by 2026.

Internal operating environment: I inherited quite a mess in relation to the internal workings of the N&YLGA. Documentation has been difficult to locate if at all. This has required me to spend quite a lot of time trying to locate information so I can determine what has been actioned, missed or requires follow up.

In addition to this, the invoicing by external contractors had been left to expand without any checks and balances in place. Some of the invoices I have received since I commenced have been excessive and I have had to go back to query the services provided and the rates charged, which has resulted in some savings.

Procedural Document: As I had limited time with the previous CEO during the handover period. There were many parts of N&YLGA that I was not made aware of; there are also no procedural guidelines on any aspect of the operation of N&YLGA. This is a serious fault that I am now in the process of rectifying. As internal procedures start to settle, I will be producing a complete procedural manual for the association, covering all aspects of its operation and this will include updating all policies and procedures.

Conclusion: I would like to thank all Mayors and CEOs within the Northern and Yorke region and also representatives of regional stakeholder organisations that have made me welcome and also continue to support me in my role as CEO. I would particularly like to thank the Chairman, Mayor Reid for his continued support, advice and direction and also Stephen Rufus, Chair of the Audit & Risk Management Committee for his guidance and support especially with the financial transition side of the association's activities these past 8 months.



29th August 2025

Bridget Ransome

Chief Executive Officer

Northern and Yorke Local Government Association



AUDIT & RISK MANAGEMENT COMMITTEE

CHAIR, STEPHEN RUFUS

It gives me great pleasure to present this report to the Board of the Northern and Yorke LGA AGM on the activities of the Audit and Risk Management Committee for the 2024-2025 year, and I thank the Board for my continued appointment to the position of Chair.

The Committee has met on the following occasions during the year with all members being active during the year:

- 20th August 2024
- 19th November 2024
- 17th February 2025
- 22nd May 2025
- 28th May 2025.

With the transition of the appointment of the new Chief Executive Officer, the Committee has overseen a number of changes, including a revised banking process and change in signatories, and financial services provider to a shared service model provided by the LGA.

These changes have incorporated a review of the financial reporting to the Committee and the Board that addresses previous concerns raised by Member Councils with the complexity of the reporting.

Furthermore, the change in financial service provider has improved efficiency in the financial management of the organisation, with open reporting and accountability that is reassuring for the Committee.

A concern is raised with the membership of the Committee and that a vacancy remains for an appointment of another CEO from a Member Council, which in my view, requires the attention of the Board. I therefore encourage my fellow CEOs to consider nominating for the vacant position to be a part of the Committee.

I take this opportunity to thank the previous CEO Simon Millcock for his reporting and interaction with the Committee and the financial services provided by Colin Davies.

In closing, it has been a pleasure to work with the CEO Bridget Ransome in the role and to work through the challenges and changes to the financial system of the organisation, and I look forward to this ongoing professional relationship and conduct that Bridget brings to the role.



29th August 2025

Stephen Rufus

Chair

Northern and Yorke Local Government Association



This is a summary of activities undertaken, and recommendations made during 2024-2025.
The committee met as follows:

Audit & Risk Management Committee	20 th August 2024 19 th November 2024 17 th February 2025 22 nd May 2025 28 th May 2025 (online)
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COMMITTEE MEMBERS	NO. OF MEETINGS ATTENDED
Mayor Rodney Reid	5
Mayor Stephen McCarthy	6
Stephen Rufus (Chair)	6
Ian McDonald	6
Colin Davies	0

The following table sets out the principal issues addressed by the Committee for 2024-2025.

Principal Issues Examined	Comment
Audit Committee Chair and Members	Stephen Rufus continued as Chair and all members are serving within their 2-year tenure
Annual Financial Report	No issues, and a new auditor was appointed being ATA Audits and endorsed by the committee and the N&YLGA full Board. Noted the continued independence of the auditing process
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure certified of carry over reserves and accumulated surplus for business plan and budgets
Review of work plan and internal controls	The provision of external financial services to the association was reviewed and a new provider endorsed being LGA Shared Services
Charter	No change to the Charter
Business, Budget and Strategic Plan	Monitored the 2024-2025 business plan and budget Noted, supported and provided input to the N&YLGA <i>Annual Business Plan 2025-2026</i> Simplified budget reporting
Equity/Reserves	Recommendations to the Board on the levels to be held and noted that they are in alignment with previous agreed levels.



**CENTRAL LOCAL
GOVERNMENT REGION**
of SA trading as

**Northern and Yorke Local
Government Association**

**Annual Financial
Statements**

**For the financial year
01 July 2024 - 30 June 2025**



NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

General Purpose Financial Reports for the year ended
30 June 2025

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NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2025

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Northern and Yorke Local Government Association ('the Association') to certify the financial statements in their final form. In our opinion:

- The accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- The financial statements present a true and fair view of the Association's financial position at 30th June 2025 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Association provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Association's accounting and other records.



Bridget Ransome
CHIEF EXECUTIVE OFFICER
Date: 3rd September 2025



Mayor Rodney Reid
CHAIRMAN

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2025

STATEMENT OF COMPREHENSIVE INCOME

	Note	2025 \$	2024 \$
INCOME			
Council Contributions	2	251,182	237,615
Grants, subsidies and contributions	2	70,000	107,400
Investment Income	2	25,837	27,731
Other income	2	450	7,211
Total Income		347,469	379,957
EXPENSES			
Employee Costs	3	186,190	239,291
Materials,Contracts & Other Expenses	3	112,100	188,815
Depreciation, amortisation & impairment	3	3,721	2,500
Total Expenses		302,011	430,606
Operating Surplus / (Deficit)		45,458	(50,649)
OtherComprehensiveIncome		-	-
NetSurplus / (Deficit)		45,458	(50,649)
TOTAL COMPRENSIVE INCOME / (LOSS)		45,458	(50,649)

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

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION as at 30th June 2025

	Note	2025 \$	2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	433,856	486,022
Trade and other receivables	4	34,503	1,791
Total Current Assets		468,359	487,813
Non-current assets			
Property, plant and equipment		44,072	10,000
Total Non-Current Assets		44,072	10,000
TOTAL ASSETS		512,431	497,813
LIABILITIES			
Current liabilities			
Trade and other payables	5	8,971	8,469
Provisions	5	8,819	-
Total Current Liabilities		17,790	8,469
Non-current liabilities			
Provisions		-	40,161
Total Non-Current Liabilities		-	40,161
TOTAL LIABILITIES		17,790	48,630
NET ASSETS		494,642	449,183
EQUITY			
Accumulated Surplus		224,872	179,413
Other Reserves	6	269,770	269,770
TOTAL EQUITY		494,642	449,183

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

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF CHANGES IN EQUITY
for the year ended 30th June 2025

2025	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		179,413	269,770	449,183
Net Surplus for Year		45,458		45,458
Other Comprehensive Income				-
Transfers between reserves		-	-	-
Balance at end of period		224,872	269,770	494,641
2024				
Balance at end of previous reporting period		230,062	269,770	499,831
Net Deficit for Year		(50,649)	-	(50,649)
Other Comprehensive Income		-	-	-
Transfers between reserves				-
Balance at end of period		179,413	269,770	449,182

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF CASH FLOWS for the year ended 30th June 2025

	Note	2025 \$	2024 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts			
Council Contributions		251,082	237,615
Investment receipts		26,226	27,731
Grants utilised for operating purpose		44,000	196,708
Reimbursement			
Other Revenues		450	7,211
Payments			
Employee Costs		(219,831)	(234,009)
Materials, contracts & other expenses		(116,299)	(254,383)
Finance Payments			
Net Cash used in Operating Activities		(14,372)	(19,127)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets			
Payments		-	-
Expenditure on renewal/replacement of assets		(37,793)	909
Expenditure on new/upgraded assets			
Purchase of investment securities		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loan Made to community groups		-	-
Capital contributed to equity accounted Council businesses		-	-
Net Cash used in Investing Activities		(37,793)	909
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts		-	-
Payments		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net cash increase / (decrease) in cash held		(52,165)	(18,218)
Cash and cash equivalents at beginning of period	7	486,022	504,240
Cash and cash equivalents at end of period		433,856	486,022

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

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES to and FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

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

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 Association'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.

All amounts in the financial statements have been rounded to the nearest dollar (\$).

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Northern and Yorke Local Government Association ('the Association') is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- | | |
|--------------------------------------|--|
| 1. The Barossa Council | 2. District Council of Mount Remarkable |
| 3. Barunga West Council | 4. Northern Areas Council |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. Copper Coast Council | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. Yorke Peninsula Council |
| 15. Adelaide Plains Council. | |

All funds received and expended by the Association have been included in the Financial Statements forming part of this Financial Report.

1.3 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 into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the Association.

1.4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

1.5 Vehicles & Contents

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held 'ready for use.' All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

Contents	\$2,000
Motor Vehicles	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Association, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are shown below.

Contents	1 to 5 years
Motor Vehicles	3 to 5 years

1.6 Payables

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

Amounts (other than grants) received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

1.7 Provisions

Salaries, Wages & Compensated Absences

The Association has 0.8 FTE employees as at 30th June 2025, a Chief Executive Officer. Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll- based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll-based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government 10-year bond rates.

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

1.8 Superannuation

The Association contributes the statutory 11.5% SGC superannuation to the nominated superannuation funds for all staff. This will increase to 12% for the 2025-26 financial year.

1.9 GST Implications

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

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

1.10 New Accounting Standards

No new accounting standards were applied by the Association during the financial year. The Association has not elected to early adopt any new accounting standards, interpretations or amendments which are not yet effective.

1.11 Economic Dependencies

The Association is aware of its current dependence on Grants Revenue received from the Commonwealth Government, State Government and the Local Government Association for the ongoing operations of the Association. Should the Association not secure funding or a significantly reduced level of funding in future years, it may impact on the ability of the Association to continue operating as a going concern.

1.12 Disclaimer

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

1.13 Comparative Information

During the financial year, the Association has reviewed the allocation and classification of some transactions which have been updated in the comparative information presented. Changes in classification have resulted in no change to the previously reported financial performance and position of the Association.

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 2 - INCOME

	2025	2024
COUNCIL CONTRIBUTIONS	\$	\$
General Contribution	201,091	191,325
Other Council Contributions		
Coastal Alliance	15,000	13,290
SLRP Assessment Fee	35,091	33,000
	50,091	46,290
	251,182	237,615
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	25,837	27,731
Banks	-	-
	25,837	27,731
OTHER INCOME		
Conference Registrations & Sponsorship	450	7,211
Sundry	-	-
	450	7,211
GRANTS, SUBSIDIES, CONTRIBUTIONS		
CWMS	-	4,500
Disaster Recovery	-	62,900
Regional Childcare Desert Advocacy Project	30,000	-
Volunteering	-	-
Regional Capacity	40,000	40,000
	70,000	107,400
 Commonwealth Government	 -	 -
State government	-	62,900
LGA	70,000	44,500
Other	-	-
	70,000	107,400

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES to and FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 3 - EXPENSES

EMPLOYEE COSTS	2025	2024
	\$	\$
Salaries and Wages	142,643	171,614
Employee leave expense	20,100	34,466
Pay in Lieu of Notice	-	909
Superannuation	19,101	22,108
Workers' Compensation Insurance	636	2,963
Professional Development	475	1,011
FBT	3,614	6,220
Total Operating Employee Costs	186,190	239,291
Total Number of Employees		
<i>(Full time equivalent at end of reporting period)</i>	0.80	1.00
MATERIALS, CONTRACTS & OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	2,849	2,645
Subtotal - Prescribed Expenses	2,849	2,645
Other Materials, Contracts & Expenses		
Contractors & Consultants	54,172	133,005
Legal Expenses	572	0
Unleaded Fuel	4,595	5,362
Other Motor Vehicle Costs	2,929	3,378
Members Allowances & Support	5,000	5,292
Meetings & Conferences	2,498	2,206
Insurance	9,681	9,839
Rental - Premises	177	195
Advertising	8,316	1,419
Accommodation	3,033	1,046
Airfares, Taxi Fares & Parking	532	488
Travel - Reimbursement	3,135	630
Catering & Meals	2,945	14,085
Telephone & Internet	1,053	2,079
IT & Web	9,062	5,169
Postage/Stationery	1,297	1103
Sundry	256	874
Subtotal - Other Materials, Contracts & Expenses	109,251	186,170
	112,100	188,815
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	3,721	2,500
Contents	-	-
	3,721	2,500

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS	2025	2024
	\$	\$
Cash at Bank	22,630	36,022
Deposits at Call	411,226	450,000
	433,856	486,022
TRADE & OTHER RECEIVABLES		
Accrued Revenues	1,403	1,791
Other levels of Government	-	-
Debtor - General	33,100	-
	34,503	1,791

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES to and FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 5 – LIABILITIES

	2025		2024	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	50	-	1,068	-
Payments received in advance	-	-	-	-
Accrued expenses - employee benefits	3,531	-	3,622	-
Accrued expenses - other	1,450	-	1,972	-
GST & PAYG	3,940	-	1,807	-
	8,971	-	8,469	-
PROVISIONS				
Employee entitlements - Annual Leave	6,519	-	10,031	-
Employee entitlements - Long Service Leave	-	-	30,130	-
Superannuation Payable	2,300	-	-	-
	8,819	-	40,161	-

Note 6 – RESERVES

OTHER RESERVES	1/07/2024	Transfers to Reserve	Transfers from Reserve	30/06/2025
General Reserve	269,770	-	-	269,770
TOTAL OTHER RESERVES	269,770	-	-	269,770
<i>Comparatives</i>	269,770			269,770

PURPOSES OF RESERVES

Other Reserves

This reserve was established to provide for one year of basic operation (employee costs, vehicle costs, insurance, materials), should no revenue be received.

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 7 - Reconciliation of Cash Flow Statement

(a) Reconciliation of Cash

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

	Notes	2025 \$	2024 \$
Total cash & equivalent assets	4	433,856	486,022
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		433,856	486,022

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

Net Surplus (Deficit)	45,458	-50,649
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,721	2,500
Net increase (decrease) in unpaid employee benefits	(33,642)	5,281
	15,537	(42,868)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(32,711)	89,308
Net (increase) decrease in other current assets	(37,793)	909
Net increase (decrease) in trade & other payables	2,802	(65,568)
Net Cash provided used in operations	(52,165)	(18,219)

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 8 – Functions

Revenues and expenses have been attributed to the following functions/activities throughout the financial year. The activities of the Association are categorised into the following broad functions:

1	A	- Corporate Function
2	P001	- Regional & Community Sustainability
3	P006	- Disaster & Emergency Management
4	P009	- CWMS & Climate Change Co-ordination
5	P017	- Waste Management Composting
6	P022	- Roads & Transport
7	P027	- Community Capacity Building
8	P028	- Regional Capacity Building
9	P034	- N&Y Coastal Management Action Plan
10	P038	- Regional Waste Strategy
11	P040	- Disability Inclusion Action Plan
12	P045	- Aboriginal Engagement Committee
13	P046	- DCP Pilot Organics Plant
14	P047	- Regional Childcare Desert Advocacy Project

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 9 - Financial Indicators

These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

	2025	2024	2023
Operating Surplus Ratio			
<u>Operating Surplus</u>	13.1%	(13.3%)	(37.1%)
Total Operating Income			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue</i>			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	(129.7%)	(115.6%)	(151.2%)
Total Operating Income			
<i>Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue</i>			

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 10 – Related Party Disclosures

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Association include the Chief Executive Officer and 15 Mayors/Chairpersons of the constituent Councils. In all Key Management Personnel were paid the following total compensation:

	2025 \$	2024 \$
CEO		
Salaries, allowances & other short-term benefits	160,804	166,637
Post-employment benefits	19,101	11,197
Long term benefits	1,559	-
FBT	3,614	6,220
Termination benefits	-	-
Total CEO	185,078	184,054
 Chairperson		
Allowance	5,000	5,292
Total Chairperson	5,000	5,292
 Total Key Personnel Remuneration	190,078	189,346

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year (exclusive of GST).

	Received 2025 \$	Outstanding 2025 \$
The Barossa Council	13,400	0
Barunga West Council	13,400	0
Clare and Gilbert Valleys Council	13,400	0
Copper Coast Council	13,400	0
The Flinders Ranges Council	13,400	0
Regional Council of Goyder	13,400	0
Light Regional Council	13,400	0
Adelaide Plains Council	13,400	0
District Council of Mount Remarkable	13,400	0
Northern Areas Council	13,400	0
District Council of Orroroo / Carrieton	13,400	0
District Council of Peterborough	13,400	0
Port Pirie Regional Council	13,400	0
Wakefield Regional Council	13,400	0
Yorke Peninsula Council	13,400	0
TOTAL	201,000	0

Description of Services provided to all Related Parties above:

The Association is the peak regional local government organisation that is focused on the interests of its communities. The Association's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2025

Note 11 - Contingencies & Assets & Liabilities Not Recognised in the Statement of Financial Position

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30th June 2025.

Note 12 - Events Occurring After Reporting Date

There were no events subsequent to 30th June 2025 that need to be disclosed in the financial statements.

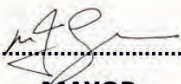
NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

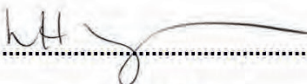
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th June 2025

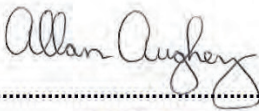
CERTIFICATION OF AUDITOR INDEPENDENCE

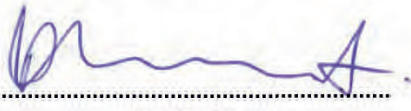
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern and Yorke Local Government Association for the year ended 30 June 2025, the Council’s Auditor, ATA Audits , has maintained its independence in accordance with the requirements of the Local Government 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.

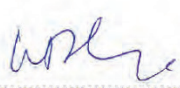

MAYOR
The Barossa Council

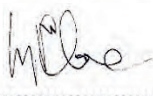

MAYOR
Barunga West Council


MAYOR
Clare & Gilbert Valleys Council


MAYOR
Copper Coast Council

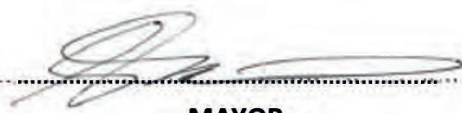

MAYOR
The Flinders Ranges Council


MAYOR
Regional Council of Goyder


MAYOR
Light Regional Council


ACTING MAYOR
Adelaide Plains Council


MAYOR
District of Mount Remarkable


MAYOR
Northern Areas Council

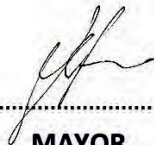
NORTHERN and YORKE LOCAL GOVERNMENT ASSOCIATION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2025

CERTIFICATION OF AUDITOR INDEPENDENCE (Continued)

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern and Yorke Local Government Association for the year ended 30 June 2025, the Council's Auditor, ATA Audits, 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*.



MAYOR
Port Pirie Regional Council



MAYOR
District Council of Orroroo Carrieton



MAYOR
York Peninsula Council



MAYOR
District Council of Peterborough



MAYOR
Wakefield Regional Council



**CHAIR, Northern and Yorke LGA Audit &
Risk Management Committee**



CHIEF EXECUTIVE OFFICER
Northern and Yorke Local Government
Association



**CHAIRMAN, Northern and Yorke Local
Government Association**



ATA Audits Pty Ltd
ABN 98 323 856 209

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Norwood SA 5067

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Adelaide SA 5001

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT OF NORTHERN AND YORKE LOCAL GOVERNMENT ASSOCIATION

Opinion

We have audited the financial report of Northern And Yorke Local Government Association (the Association), which comprises the Statement of Comprehensive Income for the year ended, the Statement of Financial Position as at 30 June 2025 the, the statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of the Association is prepared, in all material respects, in accordance with the accounting policies described in the notes to the financial statements.

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 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Management's financial reporting responsibilities and for due diligence purposes. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Management for the Financial Report

The Board of Management of the Association are responsible for the preparation of the financial report, and for such internal control as the Board of Management determine 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 Board of Management are 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 Board of Management 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 Responsibilities for the Audit of the Financial Report

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

As part of an audit 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 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 the Board of Management.
- Conclude on the appropriateness of the Board of Management'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.

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.

ATA Audits



Tammy Atkins
Director

14 October 2025
Adelaide SA



Contact:

Bridget Ransome
Chief Executive Officer
Northern & Yorke LGA
Email: ceo@nylga.sa.gov.au
Mobile: 0403 008 331

