The Barossa Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2023

Contents

The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2023

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Martin McCarthy	Michael (BIM) Lange OAM
Chief Executive Officer	**Mayor**
29 November 2023	29 November 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

$ '000	Notes	2023	2022
Income			
Rates	2a	35,800	33,700
Statutory charges	2b	803	833
User charges	2c	3,601	3,140
Grants, subsidies and contributions - operating	2g	4,311	4,227
Investment income	2d	415	146
Reimbursements	2e	9	8
Other income	2f	806	658
Total income		45,745	42,712
Expenses			
Employee costs	3a	15,897	14,118
Materials, contracts and other expenses	3b	17,887	15,951
Depreciation, amortisation and impairment	3c	10,553	9,425
Finance costs	3d	441	464
Net loss - equity accounted council businesses	19(a)	18	5
Total expenses		44,796	39,963
Operating surplus / (deficit)		949	2,749
Physical resources received free of charge	2i	3,131	2,009
Asset disposal and fair value adjustments	4	(1,097)	(874)
Amounts received specifically for new or upgraded assets	2g	5,420	4,346
Net surplus / (deficit)		8,403	8,230
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Increase/(decrease) in asset revaluation surplus	9a	(4,714)	9,604
Impairment (expense) / recoupments offset to asset revaluation reserve	9a	(4)	–
Total amounts which will not be reclassified subsequently to operating result		(4,718)	9,604
Total other comprehensive income		(4,718)	9,604
Total comprehensive income		3,685	17,834

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

The Barossa Council

Statement of Financial Position
as at 30 June 2023

$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	4,618	13,264
Trade and other receivables	5b	2,946	2,671
Inventories	5c	245	391
Total current assets		7,809	16,326
Non-current assets			
Trade and other receivables	6a	1,312	1,162
Equity accounted investments in council businesses	6b	2,263	2,281
Other non-current assets	6c	15,893	6,103
Infrastructure, property, plant and equipment	7	394,340	392,816
Total non-current assets		413,808	402,362
TOTAL ASSETS		421,617	418,688
LIABILITIES			
Current liabilities			
Trade and other payables	8a	5,116	7,118
Borrowings	8b	1,945	1,080
Provisions	8c	3,358	2,911
Total current liabilities		10,419	11,109
Non-current liabilities			
Borrowings	8b	7,013	6,688
Provisions	8c	682	1,073
Total non-current liabilities		7,695	7,761
TOTAL LIABILITIES		18,114	18,870
Net assets		403,503	399,818
EQUITY			
Accumulated surplus		105,026	98,215
Asset revaluation reserves	9a	282,905	287,623
Other reserves	9b	15,572	13,980
Total council equity		403,503	399,818
Total equity		403,503	399,818

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

Statement of Changes in Equity
for the year ended 30 June 2023

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance as at 1 July		98,215	287,623	13,980	399,818
Restated opening balance		98,215	287,623	13,980	399,818
Net surplus / (deficit) for year		8,403	–	–	8,403
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	7a	–	(4,714)	–	(4,714)
IPP&E impairment (expense) / recoupments offset to ARR	7a	–	(4)	–	(4)
Other comprehensive income		–	(4,718)	–	(4,718)
Total comprehensive income		8,403	(4,718)	–	3,685
Transfers to reserves		(1,592)	–	1,592	–
Balance at the end of period		105,026	282,905	15,572	403,503
2022					
Balance as at 1 July		90,827	278,019	13,138	381,984
Restated opening balance		90,827	278,019	13,138	381,984
Net surplus / (deficit) for year		8,230	–	–	8,230
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus	7a	–	9,604	–	9,604
Other comprehensive income		–	9,604	–	9,604
Total comprehensive income		8,230	9,604	–	17,834
Transfers to reserves		(842)	–	842	–
Balance at the end of period		98,215	287,623	13,980	399,818

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

Statement of Cash Flows
for the year ended 30 June 2023

$ '000	Notes	2023	2022
Cash flows from operating activities			
Receipts			
Rates receipts		35,589	33,673
Statutory charges		803	833
User charges		3,961	3,454
Grants, subsidies and contributions		4,276	3,987
Investment receipts		415	146
Reimbursements		9	8
Other receipts		4,472	2,964
Payments			
Payments to employees		(15,814)	(14,275)
Payments for materials, contracts and other expenses		(22,301)	(19,375)
Finance payments		(441)	(464)
Net cash provided by (or used in) operating activities	11b	10,969	10,951
Cash flows from investing activities			
Receipts			
Amounts received specifically for new or upgraded assets		3,435	4,095
Sale of replaced assets		257	448
Repayments of loans by community groups		103	75
Distributions received from associated entities		18	5
Payments			
Expenditure on renewal/replacement of assets		(6,284)	(5,842)
Expenditure on new/upgraded assets		(18,524)	(10,880)
Loans made to community groups		(300)	(430)
Capital contributed to equity accounted Council businesses		(18)	(5)
Net cash provided (or used in) investing activities		(21,313)	(12,534)
Cash flows from financing activities			
Receipts			
Proceeds from loans		2,200	430
Proceeds from bonds and deposits		530	952
Payments			
Repayments of loans		(936)	(1,411)
Repayment of lease liabilities		(74)	(62)
Repayment of bonds and deposits		(22)	(864)
Net cash provided by (or used in) financing activities		1,698	(955)
Net increase (decrease) in cash held		(8,646)	(2,538)
plus: cash & cash equivalents at beginning of period		13,264	15,802
Cash and cash equivalents held at end of period	11a	4,618	13,264
Additional information:			
Total cash, cash equivalents and investments		4,618	13,264

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

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

Contents of the Notes accompanying the General Purpose Financial Statements

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis 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.

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

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

1.2 Historical cost convention

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

1.3 Critical Accounting Estimates

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

1.3 Rounding

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

(2) The local government reporting entity

The Barossa Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 43-51 Tanunda Road, Nuriootpa. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

(3) Subsidiary Operation

Pursuant to the Local Government Act 1999, Section 42, The Barossa Council oversees the Nuriootpa Centennial Park Authority which is a subsidiary that operates and maintains both the Barossa Valley Tourist Park and its surrounding park lands. The Authority's information as at the reporting date has been consolidated in the accounts within this report.

(4) Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever occurs first.

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

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

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

continued on next page ...

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.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are included in these notes.

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

Year	***Cash Payment Received***	***Annual Allocation***	***Difference***
2019/20	$1,322,566	$1,555,963	($233,397)
2020/21	$1,536,605	$1,654,037	($117,432)
2021/22	$2,435,662	$1,894,550	$541,112
2022/23	$2,859,679	$2,078,321	$781,358

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

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

Construction contracts
Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as “payments received in advance”.

(5) Cash, cash equivalents and other financial instruments

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

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

All receivables (including community loans) 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. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(6) Inventories

Inventories held in respect of Depot stores (Fuel and Rubble) have been valued by using the weighted average cost on a continual basis or at cost for the Barossa Regional Gallery, Barossa Visitor Centre and Nuriootpa Centennial Park Authority, 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.

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

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

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(7) Infrastructure, property, plant and equipment

7.1 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 architect and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when completed ready for use.

7.2 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. Capitalisation thresholds applied during the year are as follows (no capitalisation threshold is applied to the acquisition of land or interests in land). Any new or upgrade work below these threshold amount(s) will be expensed as maintenance.

	$
Buildings *	
- Buildings (including Toilets)	$20,000
- Sheds, Pergolas, Cabins, Carports and Other Structures	$10,000
- Buildings and Componentisation	$50,000
Sealed Roads *	
- Reconstruction and Renewal Work	$20,000
Sheeted Roads	
- Resheeting, Major Patch Repair and Road Shoulders	$15,000
Footpaths, Kerbs and Carpark Surfaces	$10,000
Community Wastewater Management Systems (CWMS)	$5,000
Stormwater and Drainage	$5,000
Bridges, Floodways and Major Culverts	$15,000
Parks and Reserves Development	$5,000
Plant and Equipment	$5,000
Furniture and Fittings	$5,000
Core Software Programs	$15,000
Right-of-Use Assets	$15,000
Leasehold Improvements	$20,000
All Other Assets	$5,000

* These assets are capitalised when replacing/renewing assets that are >10% of the Depreciable Replacement Value

7.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

7.4 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 the following table. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire

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Note 1. Summary of Significant Accounting Policies (continued)

life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Buildings	
Complete	20 to 100 years
Substructure	40 to 300 years
Superstructure	20 to 300 years
Roof Structure	40 to 60 years
Internal Fit Out	20 to 25 years
Services	20 to 100 years
Town Hall Solid Flooring Only	150 years
Transport	
Unformed Roads (Earthworks) *	Unlimited
Sheeted Roads *	12 to 50 years
Sealed Roads - Pavement *	40 to 200 years
Sealed Roads - Surface *	10 to 50 years
Footpaths *	Up to 100 years
Kerb	50 to 100 years
Car Park Surfaces *	30 to 50 years
Bridges	
Bridges *	Up to 100 years
Major Culverts *	Up to 100 years
Floodways *	Up to 100 years
Footbridges *	Up to 100 years
CWMS	
Pump Stations - Components	10 to 50 years
Lagoons - Components	40 to 100 years
Waste Water Treatment Plant - Components	5 to 50 years
Pipes	60 to 100 years
Recreation / Community Infrastructure	
Fences	40 years
Monuments	100 years
Other	10 to 100 years
Stormwater and Drainage	
Drainage Channels	20 to 150 years
Other	150 years
Plant and Equipment	
Plant and Machines	3 to 20 years
Vehicles	3 to 33 years
Computer Equipment	5 to 33 years
Hill and Son Historic Pipe Organ	300 years
Furniture and Fittings	10 to 25 years
Leasehold Improvements	
Complete	Term of Lease

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Note 1. Summary of Significant Accounting Policies (continued)

Right-of-Use Assets

Leased	Term of Lease

* These asset types are made up of two components. The useful lives listed above are for the first component. The second component being a long life asset with lives ranging from 150 to 750 years. Please refer to Council's adopted Asset Accounting Policy for further information.

* Road Earthworks should not be depreciated in line with AASB 1055 (interpretation). Council Policy shows an unlimited useful life for these assets and current practice is not to depreciate them.

7.5 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 the Asset Revaluation Reserve, any excess being recognised as an expense.

(8) Payables

8.1 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.

8.2 Payments received in advance and deposits
Amounts 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.

(9) Borrowings

Loans 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”.

(10) Employee benefits

10.1 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 oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate: 5.5% (2022: 3.9%)
Weighted average settlement period: 0.19 years (2022: 0.19 years)

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

10.2 Superannuation
Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under the “choice of fund” legislation. Council uses Statewide Super as its default superannuation fund. This Scheme has two types of membership, each of which is funded differently. Council's subsidiary, Nuriootpa Centennial Park Authority makes contributions to other superannuation schemes. No changes in accounting policy have occurred during either the current or previous

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reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(11) Leases

11.1 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 - refer Item 7.4 for details.

The right-of-use assets are also subject to impairment - refer to item 7.5 for details.

ii) Lease Liabilities

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

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

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

Council is lessee for various peppercorn leases and licenses that have not been included for AASB 16. The function, period(s) to and potential costs are as follows:

Function/Purpose	Period to	$/pa each
Barossa Visitor Centre and Library - Tanunda	30/06/2026	$1 on demand
Kroemer Crossing, Tanunda - Reserve	30/03/2039	$1 on demand
Nuriootpa to Angaston (bike-walking path)	09/04/2035	$1 on demand
Barossa Trail (bike-walking path) - 2 licenses	2034	$1 on demand
Barossa Trail (bike-walking path) - 2 licenses	2035	$1 on demand
Barossa Trail (bike-walking path) - 1 license	31/07/2052	$1 on demand
Barossa Trail (bike-walking path) - numerous licenses	2062	$1 on demand
Barossa Trail (bike-walking path) - 1 license	26/04/2064	$1 on demand
Railway line Barossa Valley Way between Tanunda /Nuriootpa (Rose Hedge)	No lease	$201
Williamstown land used for car park	Lease under negotiation	$460

(12) Equity accounted Council businesses

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

(13) GST implications

In accordance with AASB Interpretation UIG Abstract 1031 Accounting for the Goods and 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.

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Note 1. Summary of Significant Accounting Policies (continued)

- 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.

(14) New accounting standards and UIG interpretations

The Council has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(15) Comparative figures

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

(16) Disclaimer

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

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

Note 2. Income

$ '000	2023	2022
(a) Rates		
General rates		
General rates	30,081	28,635
Less: mandatory rebates	(533)	(518)
Less: Discretionary Rebates, Remissions and Write Offs	(328)	(566)
Total general rates	29,220	27,551
Other rates (including service charges)		
Landscape SA Levy	560	547
Waste, Recycling and Green Organics Collection	2,728	2,491
Community wastewater management systems	3,140	2,981
Total other rates (including service charges)	6,428	6,019
Other charges		
Penalties for late payment	120	96
Legal and Other Costs Recovered	32	34
Total other charges	152	130
Total rates	35,800	33,700

(b) Statutory charges

	2023	2022
Development Act and Town Planning Fees	425	485
Septic Tank Inspection Fees	76	64
Animal Registration Fees and Fines	268	253
Parking fines / expiation fees	2	2
Other Licences, Fees and Fines	32	29
Total statutory charges	803	833

(c) User charges

	2023	2022
Bushgarden Seed/Seedling Sales	26	37
Caravan Park Fees	2,558	2,145
Cemetery Fees	121	109
CWMS Reuse Water Sales	200	223
Hall and Equipment Hire	20	22
Immunisation Fees	30	27
Lease Fees	91	97
Photocopying Fees	19	18
Property Search Fees	46	50
Recreation Park Fees	36	38
Sundry	59	51
Tourism - Souvenir and Other Sales	212	147
Transport Scheme Fees	119	122
Waste Collection Bins	39	31
Waste Disposal/Transfer Station Fees	25	23
Total user charges	3,601	3,140

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

Note 2. Income (continued)

$ '000	2023	2022
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	239	77
- Banks and Other	118	29
- Loans to community groups	58	40
Total investment income	**415**	**146**
(e) Reimbursements		
Employee Costs	5	5
Other	4	3
Total reimbursements	**9**	**8**
(f) Other income		
Insurance and Other Recoupments-including Infrastructure, Property, Plant and Equipment	68	96
Rebates received	49	54
Donations Received	32	13
Contributions	83	71
Sundry	574	424
Total other income	**806**	**658**
(g) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	5,420	4,346
Total	5,420	4,346
Other grants, subsidies and contributions		
Roads to Recovery	483	483
Other grants, subsidies and contributions	1,742	2,360
Additional Grants Commission Payment	2,086	1,384
Total other grants, subsidies and contributions	4,311	4,227
Total grants, subsidies and contributions	**9,731**	**8,573**

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

(i) Sources of grants		
Commonwealth Government	3,493	2,310
State Government	5,857	5,969
Other	381	294
Total	9,731	8,573

continued on next page ...

Note 2. Income (continued)

$ '000	2023	2022

(h) Conditions over grants and contributions

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

Unexpended at the close of the previous reporting period	2,828	3,319
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Roads infrastructure	(564)	(619)
Recreation	(2,234)	(1,699)
Community Services	–	(26)
Culture	(17)	(5)
Environment	(9)	(37)
Social Support	–	(23)
Waste	–	(13)
Subtotal	(2,824)	(2,422)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Roads infrastructure	–	564
Recreation	812	1,343
Culture	16	15
Environment	45	9
Subtotal	873	1,931
Unexpended at the close of this reporting period	877	2,828
Net increase (decrease) in assets subject to conditions in the current reporting period	(1,951)	(491)

(i) Physical resources received free of charge

Land and Land Improvements	439	15
Buildings	–	200
Transport	1,753	527
Community Wastewater Management Scheme	243	104
Stormwater and Drainage	696	1,115
Recreation	–	48
Total physical resources received free of charge	3,131	2,009

Note 3. Expenses

$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		14,264	12,843
Employee Leave Expense Movement		(13)	(301)
Superannuation - defined contribution plan contributions	18	1,292	1,051
Superannuation - defined benefit plan contributions	18	179	211
Workers Compensation Insurance		411	410
Less: capitalised and distributed costs		(236)	(96)
Total operating employee costs		15,897	14,118
Total Number of Employees (full time equivalent at end of reporting period)		161.5	139.3

(b) Materials, contracts and other expenses

$ '000	Notes	2023	2022
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		25	24
Elected Members Expenses		288	286
Lease expense - low value assets / short term leases		201	188
Subtotal - prescribed expenses		514	498
(ii) Other materials, contracts and expenses			
Contractors		4,058	3,854
Bank Charges		109	97
Energy (including Fuel)		2,053	1,641
Maintenance		1,838	1,451
Legal expenses		120	205
Levies Paid to Government - Landscape Levy		626	607
Levies - other		19	15
Parts, Accessories and Consumables		1,269	1,004
Professional services		639	449
Communications and Information Technology		1,011	1,061
Contributions and Donations		634	463
Water		464	490
Advertising and Printing		174	173
Insurance		916	806
Sundry		910	706
Waste Services		2,760	2,501
Less: capitalised and distributed Costs		(227)	(70)
Subtotal - Other material, contracts and expenses		17,373	15,453
Total materials, contracts and other expenses		17,887	15,951

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Note 3. Expenses (continued)

$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and Other Structures	2,173	2,051
Infrastructure		
- Bridges, Floodways and Major Culverts	559	462
- Stormwater drainage	408	405
- Community Wastewater Management System	1,460	1,049
- Transport	4,075	3,761
- Recreation	505	465
- Community Infrastructure	45	20
Right-of-use assets	75	65
Plant and Equipment	1,215	1,106
Furniture and Fittings	34	26
Leasehold Improvements	4	15
Total depreciation, amortisation and impairment	**10,553**	**9,425**

(d) Finance costs

	2023	2022
Interest on loans	441	464
Total finance costs	**441**	**464**

Note 4. Asset disposal and fair value adjustments

$ '000	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	257	448
Less: carrying amount of assets sold	(1,354)	(1,294)
Gain (loss) on disposal	**(1,097)**	**(846)**
(ii) Assets surplus to requirements		
Less: carrying amount of assets sold	–	(28)
Gain (loss) on disposal	**–**	**(28)**
Net gain (loss) on disposal or revaluation of assets	**(1,097)**	**(874)**

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

Note 5. Current assets

$ '000	2023	2022

(a) Cash and cash equivalent assets

Cash on hand and at bank	1,373	3,366
Deposits at call	3,245	9,898
Total cash and cash equivalent assets	4,618	13,264

(b) Trade and other receivables

Rates - General and Other	1,519	1,347
Accrued revenues	279	299
Debtors - general	278	502
GST recoupment	561	394
Prepayments	190	54
Loans to community organisations	119	75
Subtotal	2,946	2,671
Total trade and other receivables	2,946	2,671

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

(c) Inventories

Stores and Materials	145	303
Trading stock	100	88
Total inventories	245	391

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

Note 6. Non-current assets

$ '000	Notes	2023	2022
(a) Trade and other receivables			
Receivables			
Council rates postponement scheme		172	133
Prepayments		–	42
Loans to community organisations		1,140	987
Total financial assets		1,312	1,162
(b) Equity accounted investments in council businesses			
Gawler River Floodplain Management Authority	19	2,230	2,240
Central Local Government Association (Legatus)		33	41
Total equity accounted investments in Council businesses		2,263	2,281
(c) Other non-current assets			
Capital work in progress		15,893	6,103
Total other non-current assets		15,893	6,103

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

Infrastructure, property, plant and equipment

		as at 30/06/22				Asset movements during the reporting period								as at 30/06/23			
$ '000	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	WIP Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - community	3	54,671	725	–	55,396	439	–	–	–	–	–	–	–	54,671	1,164	–	55,835
Land - other	2	4,162	228	–	4,390	–	–	–	–	–	–	–	–	4,162	228	–	4,390
Buildings and other structures	3	89,146	5,072	(53,037)	41,181	263	444	(39)	(2,009)	–	–	–	–	88,944	5,779	(54,882)	39,841
Buildings and other structures	2	10,894	186	(8,223)	2,857	–	338	(235)	(164)	–	–	–	–	9,801	524	(7,529)	2,796
Leasehold Improvements	3	–	107	(45)	62	–	–	–	(4)	–	–	–	–	–	107	(49)	58
- Bridges, Floodways and Major Culverts		44,006	1,757	(22,388)	23,375	46	426	(24)	(559)	–	–	–	3,807	53,211	472	(26,611)	27,072
- Stormwater and Drainage		54,797	1,952	(11,333)	45,416	1,303	4	–	(408)	–	–	(760)	–	53,705	3,258	(11,409)	45,554
- Community Wastewater Management System		53,221	3,523	(26,673)	30,071	377	–	–	(1,460)	–	–	–	13,532	72,693	377	(30,550)	42,520
- Transport		238,458	7,400	(74,286)	171,572	4,632	2,820	(789)	(4,075)	–	–	(21,293)	–	266,319	7,452	(120,904)	152,867
- Recreation		15,379	3,451	(8,249)	10,581	3,432	444	(182)	(505)	–	–	–	–	14,905	7,327	(8,462)	13,770
- Community Infrastructure		973	1,470	(567)	1,876	–	–	–	(45)	–	–	–	–	973	1,470	(612)	1,831
Right-of-use assets		–	315	(143)	172	–	–	–	(75)	–	–	–	–	–	315	(218)	97
Plant and equipment	3	–	14,855	(9,205)	5,650	2,872	44	(85)	(1,215)	(4)	–	–	–	–	16,987	(9,726)	7,261
Furniture and fittings	3	–	1,241	(1,024)	217	262	3	–	(34)	–	–	–	–	–	1,507	(1,059)	448
Total infrastructure, property, plant and equipment		565,707	42,282	(215,173)	392,816	13,626	4,523	(1,354)	(10,553)	(4)	–	(22,053)	17,339	619,384	46,967	(272,011)	394,340
Comparatives		520,483	56,418	(201,128)	375,773	11,653	6,560	(1,322)	(9,425)	–	(24)	–	9,604	565,707	42,282	(215,173)	392,816

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

Information on valuations

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

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

There is normally no known market for Council buildings, infrastructure and other assets (with the exception of properties at level 2 valued using Market Fair Value inputs). 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 Council, or on industry construction guides where these are more appropriate.

Other information

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

Highest and best use

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

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.

Land & Land Improvements

- Basis of valuation: Fair Value Level 3, Market Value Level 2; additions are recognised at cost
- Date of valuation: 1 July 2019
- Valuer: JLL Public Sector Valuations

Buildings & Other Structures

- Basis of valuation: Fair Value Level 3, Market Value Level 2; additions are recognised at cost
- Date of valuation: 1 July 2020
- Valuer: JLL Public Sector Valuations and Barossa Council in-house staff expertise using Rawlinsons Australian Construction Handbook Edition 37, 2019

continued on next page ...

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

Transport
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2022
- Valuer: Tonkin Consulting
- Condition Assessment: Infrastructure Management Group assessed Sealed and Sheeted Roads in 2022/23, Council Officers assessed Kerb and Gutter in 2017/18 and Car Parks were assessed in 2015/16

Bridges, Floodways and Major Culverts
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2022
- Valuer: Council Officers applied LGPI (Local Government Price Index) 17.5% on the previous valuation 1 July 2017
- Condition Assessment: WSP Australia Pty Ltd assessed Bridges, Footbridges and some Major Culverts in 2017/18

Community Wastewater Management System
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2022
- Valuer: Council Officers
- Condition Assessment: Council Officers assessed CWMS Assets, Waste Water Treatment Plant and Lagoons in 2022/23.

Stormwater
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2021
- Valuer: Tonkin Consulting

Recreation Infrastructure
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2020
- Valuer: JLL Public Sector Valuations and Barossa Council in-house staff expertise using Rawlinsons Australian Construction Handbook Edition 37, 2019

Community Infrastructure
- Basis of valuation: Written down current replacement cost; additions are recognised at cost
- Date of valuation: 1 July 2010
- Valuer: Asset and Valuation Consulting Pty Ltd

This asset class is immaterial to the total asset value representing only 0.30% of the total value so revaluations are not necessary and should not occur. Only periodic audits will be conducted to ensure the assets are required for Council business and in the condition needed.

Plant, Equipment, Furniture and Fittings
- Basis of valuation: Cost basis

Leasehold Improvements
- Basis of valuation: Written down current replacement cost; additions are recognised at cost, based on term of lease

This asset class is immaterial to the total asset value representing only 0.02% of the total value so revaluations are not necessary and should not occur. Only periodic audits will be conducted to ensure the assets are required for Council business and in the condition needed.

Right-of-Use Assets
- Basis of valuation: Lease and associated costs basis per AASB 16

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

Note 8. Liabilities

$ '000		2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a) Trade and other payables					
Goods and Services		2,284	–	2,981	–
Payments received in advance		877	–	2,827	–
Accrued expenses - employee entitlements		633	–	575	–
Accrued expenses - other		556	–	477	–
Deposits, Retentions and Bonds		766	–	258	–
Total trade and other payables		5,116	–	7,118	–

Amounts included in trade and other payables that are not expected to be settled within 12 months of reporting date are disclosed in Note 13

Total amounts included in trade and other payables	–	–	–	–

(b) Borrowings

$ '000	Notes	2023 Current	2023 Non Current	2022 Current	2022 Non Current
Loans		1,877	6,982	1,006	6,589
Lease liabilities	17b	68	31	74	99
Total Borrowings		1,945	7,013	1,080	6,688

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

(c) Provisions

$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
Employee entitlements (including oncosts)	3,358	205	2,911	627
Future Reinstatement - Landfill	–	477	–	446
Total provisions	3,358	682	2,911	1,073

Movements in provisions

2023 (current and non-current) $ '000	Future Reinstatement 2023
Opening balance	446
Add: additional amounts recognised	31
(Less): payments	–
Closing balance	477

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

Note 9. Reserves

$ '000	as at 30/06/22 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/23 Closing Balance
(a) Asset revaluation reserve					
Land - community	44,562	–	–	–	44,562
Land - other	478	–	–	–	478
Buildings and other structures	21,922	–	–	–	21,922
Infrastructure					
- Bridges, Floodways & Major Culverts	13,978	3,807	–	–	17,785
- Stormwater and Drainage	33,663	(760)	–	–	32,903
- Community Wastewater Management System	19,322	13,532	–	–	32,854
- Transport	145,507	(21,293)	–	–	124,214
- Recreation	6,706	–	–	–	6,706
- Community Infrastructure	647	–	–	–	647
Plant and equipment	–	–	–	(4)	(4)
JV's / associates - other comprehensive income	838	–	–	–	838
Total other assets	838	–	–	–	838
Total asset revaluation reserve	287,623	(4,714)	–	(4)	282,905
Comparatives	278,019	9,604	–	–	287,623

$ '000	as at 30/06/22 Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/23 Closing Balance
(b) Other reserves					
Community Wastewater Management	12,082	1,701	–	–	13,783
Refuse, Recycling and Green Waste	217	21	(15)	–	223
Recreation Facilities	342	3	(173)	–	172
Cultural Services	464	46	–	–	510
Caravan Parks	63	–	–	–	63
Economic Development	170	–	–	–	170
Environmental Projects	2	–	(2)	–	–
Plant and Equipment Replacement	140	–	–	–	140
Building Maintenance	–	–	–	–	–
Other reserves	500	11	–	–	511
Total other reserves	13,980	1,782	(190)	–	15,572
Comparatives	13,138	1,807	(965)	–	13,980

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
Wastewater Management Scheme services charges raised under Section 155.

Refuse, Recycling and Green Waste
Collection of Refuse, Recycling and Green Waste service charges raised under Section 155.

continued on next page ...

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

Note 9. Reserves (continued)

Recreation Facilities
Recreation Facilities reserves are used to fund Capital Improvements at Council owned Recreation Parks.

Cultural Services
Cultural Facilities reserves are used to fund Capital Improvements at Council owned Community Halls.

Caravan Parks
Caravan Park Reserves are used towards the upgrade of Caravan Park and surrounding Recreation Park Facilities.

Economic Development
Economic Development Reserves are used to fund specific initiatives including Council Main Streets.

Environmental Projects
Environmental Project Reserves are used towards funding specific environmental projects and programs.

Plant and Equipment Replacement
Plant and Equipment Replacement Reserves are used to fund the replacement of Council's Community Transport cars and buses, funded by grants.

Building Maintenance
Building Maintenance Reserves are used towards funding specific disability access to Council owned Buildings.

Other reserves
Other Reserves are used to account for developer contributions received towards future Capital Works, funds held in Trust and other minor reserves not elsewhere allocated.

Note 10. Assets subject to restrictions

$ '000	2023	2022

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

Grant funding or contributions which were received during the year ended 30 June 2021 (or in previous years) but which remain unspent, are also subject to restrictions - these funds would need to be repaid if the required expenditure does not go ahead in the future.

$ '000	2023	2022
Cash and financial assets		
Open space contributions	1	1
Developer contributions	502	490
Grant Funding - Commonwealth	–	564
Grant Funding - State	562	2,264
Total cash and financial assets	1,065	3,319
Total assets subject to externally imposed restrictions	1,065	3,319

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

$ '000	Notes	2023	2022
(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	4,618	13,264
Balances per Statement of Cash Flows		4,618	13,264
(b) Reconciliation of change in net assets to cash from operating activities			
Net surplus/(deficit)		8,403	8,230
Non-cash items in income statements			
Depreciation, amortisation and impairment		10,553	9,425
Equity movements in equity accounted investments (increase)/decrease		18	5
Non-cash asset acquisitions		(3,131)	(2,009)
Grants for capital acquisitions treated as investing activity		(3,435)	(4,095)
Net (gain)/loss on disposals		1,097	874
		13,505	12,430
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(228)	(243)
Net (increase)/decrease in inventories		146	(172)
Net increase/(decrease) in trade and other payables		(2,510)	(834)
Net increase/(decrease) in unpaid employee benefits		25	(256)
Net increase/(decrease) in other provisions		31	26
Net cash provided by (or used in) operations		10,969	10,951
(c) Non-cash financing and investing activities			
Acquisition of assets by means of:			
Physical resources received free of charge	2i	3,131	2,009
Amounts recognised in income statement		3,131	2,009
Total non-cash financing and investing activities		3,131	2,009
(d) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank overdrafts		300	300
Corporate credit cards		79	79
LGFA cash advance debenture facility		22,000	5,000

Note 12(a). Functions

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

$ '000	INCOME 2023	INCOME 2022	EXPENSES 2023	EXPENSES 2022	OPERATING SURPLUS (DEFICIT) 2023	OPERATING SURPLUS (DEFICIT) 2022	GRANTS INCLUDED IN INCOME 2023	GRANTS INCLUDED IN INCOME 2022	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2023	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2022
Functions/Activities										
Business Undertakings	6,358	5,487	5,682	4,920	676	567	–	3	51,776	46,250
Community Services	1,077	1,108	3,171	2,966	(2,094)	(1,858)	700	775	10,563	9,238
Culture	330	306	3,152	2,709	(2,822)	(2,403)	192	181	14,069	13,862
Economic Development	253	189	1,252	1,015	(999)	(826)	–	–	–	–
Environment	3,531	3,534	6,582	6,371	(3,051)	(2,837)	54	300	62,157	57,119
Recreation	461	357	6,841	6,149	(6,380)	(5,792)	–	–	81,424	74,582
Regulatory Services	740	773	2,380	2,424	(1,640)	(1,651)	22	–	167	170
Transport	1,485	1,449	7,190	6,690	(5,705)	(5,241)	1,485	1,437	184,874	192,811
Plant Hire and Depot/Indirect	111	125	841	592	(730)	(467)	–	–	4,184	3,747
Council Administration	31,399	29,384	7,687	6,122	23,712	23,262	1,858	1,531	10,140	18,628
Joint Ventures	–	–	18	5	(18)	(5)	–	–	2,263	2,281
Total Functions/Activities	45,745	42,712	44,796	39,963	949	2,749	4,311	4,227	421,617	418,688

Income and expenses exclude amounts received specifically for new or upgraded assets and physical resources received free of charge. 'Council Administration' includes all rates income.

Note 12(b). Components of functions

The activities relating to Council functions are as follows:

Business undertakings
Caravan Parks, Gravel Pits/Quarries, Private Works and Sewerage/CWMS.

Community services
Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries, Public Conveniences, Car Parking – non-fee-paying and Other Community Amenities.

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

Economic development
Regional Development, Support to Local Businesses, Tourism and Other Economic Development.

Environment
Agricultural Services, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Northern and Yorke Landscape Levy and Other Environment.

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

Regulatory services
Dog and Cat Control, Building Control, Town Planning, Litter Control, Health Inspection, Parking Control and Other Regulatory Services.

Transport
Bridges, Footpaths and Kerbing, Roads – Sealed, Roads – Formed, Roads – Natural Formed, Roads – Unformed, Traffic Management, LGGC – roads (formula funded) and Other Transport.

Plant hire and depot
Plant, Machinery and Depot.

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

JOINT VENTURES
Gawler River Floodplain Management Authority and Central Local Government Association (Legatus).

Note 13. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

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

Terms & Conditions:
Deposits are returning fixed interest rates between 4.30% and 4.90% (2022: 1.05% and 1.76%). Short term deposits returned interest rates between 4.30% and 4.90% (2022: 0.25% and 1.75%).

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges

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

Terms & Conditions:
Secured over the subject land, arrears attract interest of 6.05% (2022: 5.04%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

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

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

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

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

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

Carrying Amount:
Approximates fair value.

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.

continued on next page ...

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

Note 13. Financial instruments (continued)

Terms & Conditions:
Liabilities are normally settled on 30 day terms.

Carrying Amount:
Approximates fair value.

Liabilities - interest bearing borrowings

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

Terms & Conditions:
Secured over future revenues, fixed borrowings are repayable by equal half yearly instalments of principal and interest; interest is charged at fixed rates between 2.05% and 7.02% (2022: 2.05% and 7.02%). Variable borrowings accessed during 2022/23 from the Local Government Finance Authority cash advance debenture is charged at variable rates between 5.30% and 6.05% (2022: No variable borrowings accessed).

Carrying Amount:
Approximates fair value.

Liabilities - leases

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

continued on next page ...

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

Note 13. Financial instruments (continued)

$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	4,618	–	–	4,618	4,618
Receivables	2,818	–	–	2,818	2,756
Other financial assets	–	872	726	1,598	1,312
Total financial assets	7,436	872	726	9,034	8,686
Financial liabilities					
Payables	3,606	–	–	3,606	3,606
Current borrowings	2,251	–	–	2,251	1,877
Non-current borrowings	–	5,391	2,136	7,527	6,982
Lease Liabilities	70	32	–	102	99
Total financial liabilities	5,927	5,423	2,136	13,486	12,564
Total financial assets and liabilities	13,363	6,295	2,862	22,520	21,250
2022					
Financial assets					
Cash and cash equivalents	13,264	–	–	13,264	13,264
Receivables	2,271	588	663	3,522	3,343
Other financial assets	–	721	726	1,447	1,120
Total financial assets	15,535	1,309	1,389	18,233	17,727
Financial liabilities					
Payables	3,716	–	–	3,716	3,716
Current borrowings	1,318	–	–	1,318	1,006
Non-current borrowings	–	6,119	1,306	7,425	6,589
Lease Liabilities	78	102	–	180	173
Total financial liabilities	5,112	6,221	1,306	12,639	11,484
Total financial assets and liabilities	20,647	7,530	2,695	30,872	29,211

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

	2023		2022	
$ '000	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	5.65%	6,876	6.32%	7,496
		6,876		7,496

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.

continued on next page ...

Note 13. Financial instruments (continued)

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 Mangement Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

Expected credit losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Note 14. Capital expenditure and investment property commitments

$ '000	2023	2022
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	349	1,191
Community Services	–	28
Footpaths	–	50
Plant and Equipment	–	699
Recreation	3,743	1,698
Roads	4,535	6,889
Stormwater and Drainage	–	62
Tourism	691	475
	9,318	11,092
These expenditures are payable:		
Not later than one year	7,022	4,435
Later than one year and not later than 5 years	2,296	6,657
	9,318	11,092

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

Note 15. Financial indicators

$ '000	Amounts 2023	Indicator 2023	Indicators 2022	2021
Financial Indicators overview *These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.*				
1. Operating Surplus Ratio				
Operating surplus	949	2.1%	6.4%	6.7%
Total operating income	45,745			
This ratio expresses the operating surplus as a percentage of total operating revenue.				
2. Net Financial Liabilities Ratio				
Net financial liabilities	9,238	20%	4%	4%
Total operating income	45,745			
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjusted Operating Surplus Ratio				
Operating surplus	247	0.5%	5.2%	7.0%
Total operating income	45,043			
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 Net Financial Liabilities Ratio				
Net financial liabilities	11,324	25%	7%	6%
Total operating income	45,043			
3. Asset Renewal Funding Ratio				
Asset renewals	6,027	108%	89%	216%
Infrastructure and Asset Management Plan required expenditure	5,570			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

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

Note 16. Uniform presentation of finances

$ '000	2023	2022
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	35,800	33,700
Statutory charges	803	833
User charges	3,601	3,140
Grants, subsidies and contributions - operating	4,311	4,227
Investment income	415	146
Reimbursements	9	8
Other income	806	658
Total Income	45,745	42,712
Expenses		
Employee costs	15,897	14,118
Materials, contracts and other expenses	17,887	15,951
Depreciation, amortisation and impairment	10,553	9,425
Finance costs	441	464
Net loss - equity accounted council businesses	18	5
Total Expenses	44,796	39,963
Operating surplus / (deficit)	949	2,749
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(6,284)	(5,842)
Add back depreciation, amortisation and impairment	10,553	9,425
Add back proceeds from sale of replaced assets	257	448
	4,526	4,031
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(18,524)	(10,880)
Add back amounts received specifically for new and upgraded assets	3,435	4,095
	(15,089)	(6,785)
Annual net impact to financing activities (surplus/(deficit))	(9,614)	(5)

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

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Asset class here
Refer to Note 1 for further details.

Land
Right-of-use Assets leased include land at Angaston that is a radio transmission site.

Plant and Equipment
Right-of-use Assets leased include Photocopiers, Mower and Computer Servers.

(a) Right of use assets

$ '000	Land	Plant and Equipment	Total
2023			
Set out below are the carrying amounts of Right-of-use Assets recognised within the above asset categories and the movements during the period:			
Opening balance	1	172	173
Additions to right-of-use assets	–	–	–
Depreciation charge	–	(75)	(75)
Disposal carrying value	–	–	–
Balance at 30 June	1	97	98
2022			
Opening balance	1	181	182
Additions to right-of-use assets	–	56	56
Depreciation charge	–	(65)	(65)
Disposal carrying value	–	–	–
Balance at 30 June	1	172	173

(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	2023	2022
Balance at 1 July	173	180
Additions	–	56
Accretion of interest	4	4
Payments	(78)	(67)
Disposal liability due	–	–
Balance at 30 June	99	173
Classified as:		
Current	68	74
Non-current	31	99

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

continued on next page ...

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

Note 17. Leases (continued)

$ '000	2023	2022
The Group had total cash outflows for leases of $232k (2022: $203k). The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	75	65
Interest expense on lease liabilities	4	4
Expense relating to leases of low-value assets	168	165
Total amount recognised in profit or loss	**247**	**234**

(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 included in Note 2 as Lease Fees, Hall or Equipment Hire and Recreation Park Fees.

$ '000	2023	2022
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	63	63
Later than one year and not later than 5 years	114	107
Later than 5 years	143	194
	320	**364**

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 18. Superannuation

Council makes employer superannuation contributions in respect of its employees to schemes selected by employees under "choice of fund" legislation. Council uses Statewide Super as its default superannuation fund. With 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 who are Statewide Super members (including casuals) have all contributions allocated to the Accumulation section (Marketlink).

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.50% in 2022/23; 10.00% in 2021/22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021/22) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% 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 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

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

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

Note 19. Interests in other entities

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

$ '000	Council's Share of Net Income 2023	Council's Share of Net Income 2022	Council's Share of Net Assets 2023	Council's Share of Net Assets 2022
Council's share of net income				
Joint ventures	(18)	(5)	2,263	2,281
Total Council's share of net income	(18)	(5)	2,263	2,281

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

(a) Carrying amounts

$ '000	Principal Activity	2023	2022
Gawler River Floodplain Management Authority	Flood Mitigation	2,230	2,240
Central Local Government Association (Legatus)	Local Government Regional Collaboratoin	33	41
Total carrying amounts - joint ventures and associates		2,263	2,281

Gawler River Floodplain Management Authority
Established in 2002, this organisation is responsible for the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area.

Central Local Government Association (Legatus)
Established in 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

(b) Relevant interests

	Interest in Operating Result 2023	Interest in Operating Result 2022	Ownership Share of Equity 2023	Ownership Share of Equity 2022	Proportion of Voting Power 2023	Proportion of Voting Power 2022
Gawler River Floodplain Management Authority	10.50%	10.36%	10.50%	10.36%	15.38%	15.38%
Central Local Government Association (Legatus)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%

(c) Movement in investment in joint venture or associate

$ '000	Gawler River Floodplain Management Authority 2023	Gawler River Floodplain Management Authority 2022	Central Local Government Association (Legatus) 2023	Central Local Government Association (Legatus) 2022
Opening Balance	2,240	2,224	42	62
Share in Operating Result	(41)	(26)	(8)	(20)
Adjustments to Equity	31	42	–	–
Council's equity share in the joint venture or associate	2,230	2,240	34	42

continued on next page ...

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

Note 19. Interests in other entities (continued)

(d) Summarised financial information of the equity accounted business

$ '000	Gawler River Floodplain Management Authority 2023	Gawler River Floodplain Management Authority 2022	Central Local Government Association (Legatus) 2023	Central Local Government Association (Legatus) 2022
Statement of Financial Position				
Cash and Cash Equivalents	29	126	504	658
Other Current Assets	91	99	91	2
Non-Current Assets	21,614	21,959	–	14
Total assets	21,734	22,184	595	674
Current Trade and Other Payables	68	61	74	15
Current Financial Liabilities	440	502	–	–
Current Provisions	–	–	13	24
Non-Current Provisions	–	–	21	16
Total liabilities	508	563	108	55
Net Assets	21,226	21,621	487	619
Statement of Comprehensive Income				
Other Income	–	–	192	173
Subscriptions, Grants, Subsidies and Other Contributions	261	332	108	94
Investment Income	1	1	22	7
Total income	262	333	322	274
Employee Costs	–	–	273	263
Materials, Contracts & Other Expenses	249	236	167	305
Depreciation, Amortisation and Impairment	347	322	1	7
Other	61	26	–	–
Total expenses	657	584	441	575
Operating Result	(395)	(251)	(119)	(301)

Note 20. 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 of those items is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

Council has elected not to recognise land under roads as an asset in accordance with AASB 1051 Land Under Roads. Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in 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.

At reporting date, Council controlled 989km of road reserves of average width of 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's Assessment Panel is the planning consent authority for its area under the Planning, Development and Infrastructure Act (as amended). Pursuant to the Act, certain persons aggrieved by a planning decision of the Assessment Panel may appeal. It is normal practice that parties bear their own legal costs. A number of appeals were conducted during the year by persons aggrieved as a result of decisions by the panel, or by Council on behalf of residents in relation to enforcement of use conditions, or by Council acting on behalf of the community in relation to proposed development that would adversely affect the region. There were no appeals against decisions of the Barossa Assessment Panel during 2022/23.

A Judicial Review in the Supreme Court has been determined, post 1 July 2023, for an appeal received in 2021/22 to quash the decision of the Barossa Assessment Panel and costs have been awarded to the Applicant. The matter is ongoing and no amount has been recognised in the accounts due to the timing of the court orders and no reliable measure for costs is available.

The Barossa Council is a party to a supreme court challenge seeking damages from Council under a contract with the company TTEG related to street lighting charges. Councils potential exposure is estimated to be $114,793 in damages plus costs and interest if the court rules against the Councils defence, this exposure is not disclosed in the financial accounts of Council as there is no liability that has or at 30 June is likely to arise to any certainty that meets the relevant accounting standard. There were no payments made in the 2022/23 financial year.

The Barossa Council has been joined to a court challenge relating to drainage matters in Elizabeth Street Tanunda post 30 June 2023. The matter is ongoing and no amount has been recognised in the accounts due to the timing of the court hearing not having occurred.

Note 21. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2023, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 29/11/2023.

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

Note 22. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council includes the Mayor, 15 Councillors, CEO, 12 Employees of the Executive Management Team and Board Members and employees of Nuriootpa Centennial Park Authority - Total 29 (2022 35). This includes employees temporarily acting as CEO or Executive Management during periods of leave.

All close family members of Key Management Personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The Council employs 161.75 (FTE) staff of which only 2 are close family members of Key Management Personnel.

$'000	2023	2022
Key Management Personnel Employee Expenses for Close Family Members	131	170
Total	131	170

$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Employee Benefits	1,831	2,048
Total	1,831	2,048

Other Related Party Transactions

Council provides work and support in-kind for accounting, governance, asset management and executive services, along with being the conduit for electricity, insurance, loans, CWMS and other services for its subsidiary Nuriootpa Centennial Park Authority. The Authority maintains a Council Recreation Park at Nuriootpa for community benefit purposes including various sporting activities. The Authority's information as at the reporting date has been included in the accounts within this report and any inter-company transactions have been eliminated on consolidation.

Galpins

Accountants, Auditors
& Business Consultants

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INDEPENDENT AUDITOR'S REPORT

To the members of the Barossa Council

Opinion

We have audited the accompanying financial report of the Barossa Council (the Council), which comprises the statement of financial position as at 30 June 2023, 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 the Barossa Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2023, and its financial performance and its cash flow for the year then ended in accordance with the Australia 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.

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.

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

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

1 December 2023

Galpins

Accountants, Auditors
& Business Consultants

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To the members of The Barossa Council

Opinion

We have audited the compliance of the Barossa 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 2022 to 30 June 2023 have been conducted properly and in accordance with law.

In our opinion, the Barossa 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 2022 to 30 June 2023.

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 2022 to 30 June 2023. 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 apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

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 2022 to 30 June 2023. 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

1 December 2023

The Barossa Council

General Purpose Financial Statements
for the year ended 30 June 2023

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Barossa Council for the year ended 30 June 2023, the Council's Auditor, Galpins Accountants, Auditors and 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.*

Martin McCarthy
Chief Executive Officer

Peter Brass
Presiding Member, Audit and Risk Committee

Date: 29 November 2023

Galpins
Accountants, Auditors
& Business Consultants

CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

THE BAROSSA COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended 30 June 2023

Statement by Auditor

I confirm that, for the audit of the financial statements of the Barossa Council for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, 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

Tim Muhlhausler CA, Registered Company Auditor

Partner

1 December 2023

Mount Gambier
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