CITY OF
TEA TREE GULLY
Naturally Better

2021–2022

Annual Report

The City of Tea Tree Gully's Annual Report 2021–2022 provides details on our performance against our 2021–2022 Annual Business Plan and Budget, as well as the outcomes and objectives of our Strategic Plan 2025.

This publication has been developed in compliance with the *Local Government Act 1999 (SA)* and provides a comprehensive and transparent account of our performance, achievements, challenges and financial management from 1 July 2021 to 30 June 2022.

For more information, call 8397 7444
or visit **cttg.sa.gov.au**

We acknowledge the Kaurna people as the Aboriginal traditional owners and custodians of the lands and waters in the area now known as the City of Tea Tree Gully.

We respect the spiritual relationships with country and stories here that have developed over tens of thousands of years.

We recognise that this rich cultural heritage is a living culture and remains important to Kaurna people, other Aboriginal people and our non-Aboriginal communities today.

The wellbeing and prosperity of Kaurna and other Aboriginal people is important to the strong, vibrant communities we strive for.

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Cover photo: Resident Marie-Christine with her daughter Isabelle using the new pump track at Solandra Reserve, Modbury North.

New plantings at Ladywood Road as part of a recent streetscape upgrade.

Introduction

The 2021–2022 financial year was a period of strength and resilience for the City of Tea Tree Gully.

Despite challenging conditions, Council pushed ahead with more than $30 million in capital works projects to support community wellbeing. Many jobs were created through construction, while our local economy grew by 6.4%.

More than $6 million was invested in upgrading local sporting facilities to help build a stronger, healthier community. This included planning for the $12 million community building and sporting clubroom at Harpers Field, plus completion of lighting upgrades at Modbury Sporting and Modbury Tennis and Tango Netball Clubs.

External grant funding supported the delivery of these and many other major infrastructure projects. Additional grants have already been secured for the 2022–2023 financial year.

About $7.6 million was invested in roads and footpaths to improve safety and accessibility.

The revitalisation of the Modbury Precinct continued to be prioritised, with a major upgrade of the Meadowvale Inclusive Precinct, while streetcape upgrades occurred on Ladywood and Reservoir Roads. Streetscape upgrades were also progressed on Golden Grove, Montague and North East Roads within the precinct.

As a result, Modbury continues to attract substantial investment and evolve into a thriving economic centre.

On the environmental front, biodiversity improvements continued and a citywide transition to LED street lighting began.

More green organics bins and Mini Muncher kitchen caddies were distributed to residents to encourage the recycling of organic resources to improve environmental and economic outcomes for our community.

Our major events program was highly successful, attracting more than 52,650 people. Civic Park Carols returned as a live event, following an online event in 2020 due to COVID-19 restrictions.

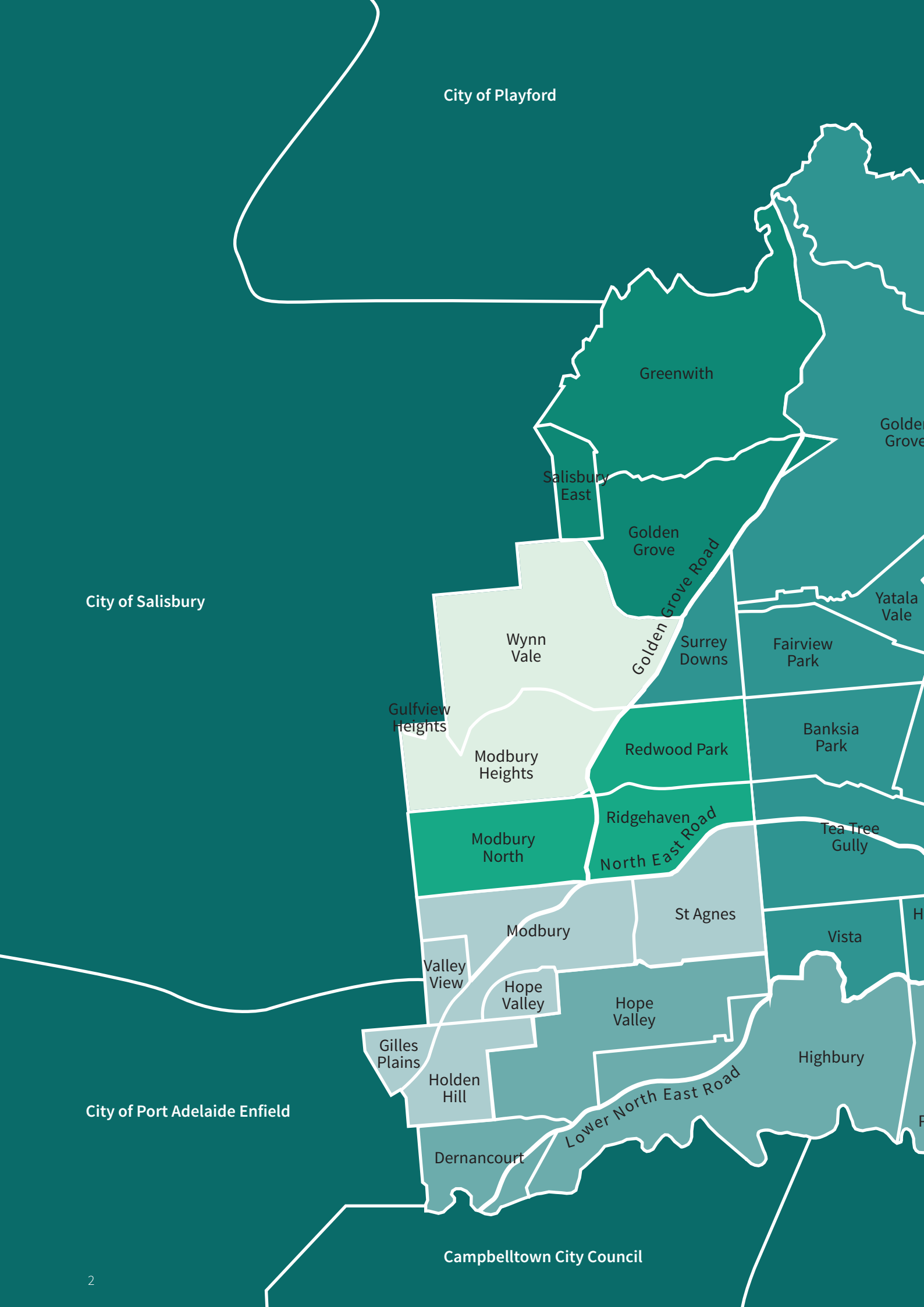
The 2021–2022 financial year closed with a significant achievement for the 4,700 households connected to the Community Wastewater Management System (CWMS), with the State Government transferring all CWMS customers to SA Water from 1 July 2022. All urban property owners in our City now pay the same to dispose of their wastewater, translating to sewerage service cost savings for former CWMS customers. Council is grateful to the State Government and all others involved in negotiations.

Through careful management, service improvements and efficiencies, the City of Tea Tree Gully is in a sound financial position and can confidently look to the future.

With local government elections in November 2022, thanks must go to our Elected Members for their commitment over the past four years. Thanks also to our staff, volunteers and community for their support.

Finally, best wishes go to John Moyle, who retired as CEO in September 2022. He brought stability and strong leadership to the role, while overseeing substantial investment in community infrastructure. I am honoured to follow on from John as CEO. I look forward to serving our community and building on the unique qualities that make our City such a great place.

Ryan McMahon
Chief Executive Officer


City of Playford
Greenwith
Salisbury East
Golden Grove
Golden Grove Road
City of Salisbury
Wynn Vale
Surrey Downs
Fairview Park
Yatala Vale
Gulfview Heights
Modbury Heights
Redwood Park
Banksia Park
Ridgehaven
North East Road
Modbury North
Tea Tree Gully
St Agnes
Modbury
Vista
Valley View
Hope Valley
Hope Valley
Gilles Plains
Holden Hill
Highbury
Lower North East Road
City of Port Adelaide Enfield
Dernancourt
Campbelltown City Council

Located less than 20 minutes north-east of Adelaide's central business district, the City of Tea Tree Gully is one of Adelaide's most desirable places to live, work and visit.

City profile

A snapshot of key information about our City, including geographical, economic, demographic and event data.

9,521 ha
total land area

607
parks and reserves

1,305 ha
open space

122
playgrounds

33%
rural area

100,000
street trees

66%
urban area

27.5%
tree canopy cover

590 km
sealed roads

534 km
sealed footpaths

1,235 km
kerbs and gutters

93.7 km
unsealed footpaths

41,022
dwellings

2.5
people per household

5,499
active trading businessess

$3.4b
Gross Regional Product

- 0–19 years (23%)
- 20–29 years (12%)
- 30–64 years (45%)
- 65–74 years (11%)
- 75+ years (9%)

27.3%
of residents born overseas

15.1%
undertaking voluntary work

41.2%
with tertiary qualifications

56.2%
of residents are employed

12,706
tonnes of green waste recycled into nutrient-rich compost

6,325
Mini Muncher kitchen caddies distributed to residents

3.63
million bin collections

52,660
attended major and activation events

142,000
Waterworld attendances

767
community development programs and activities conducted

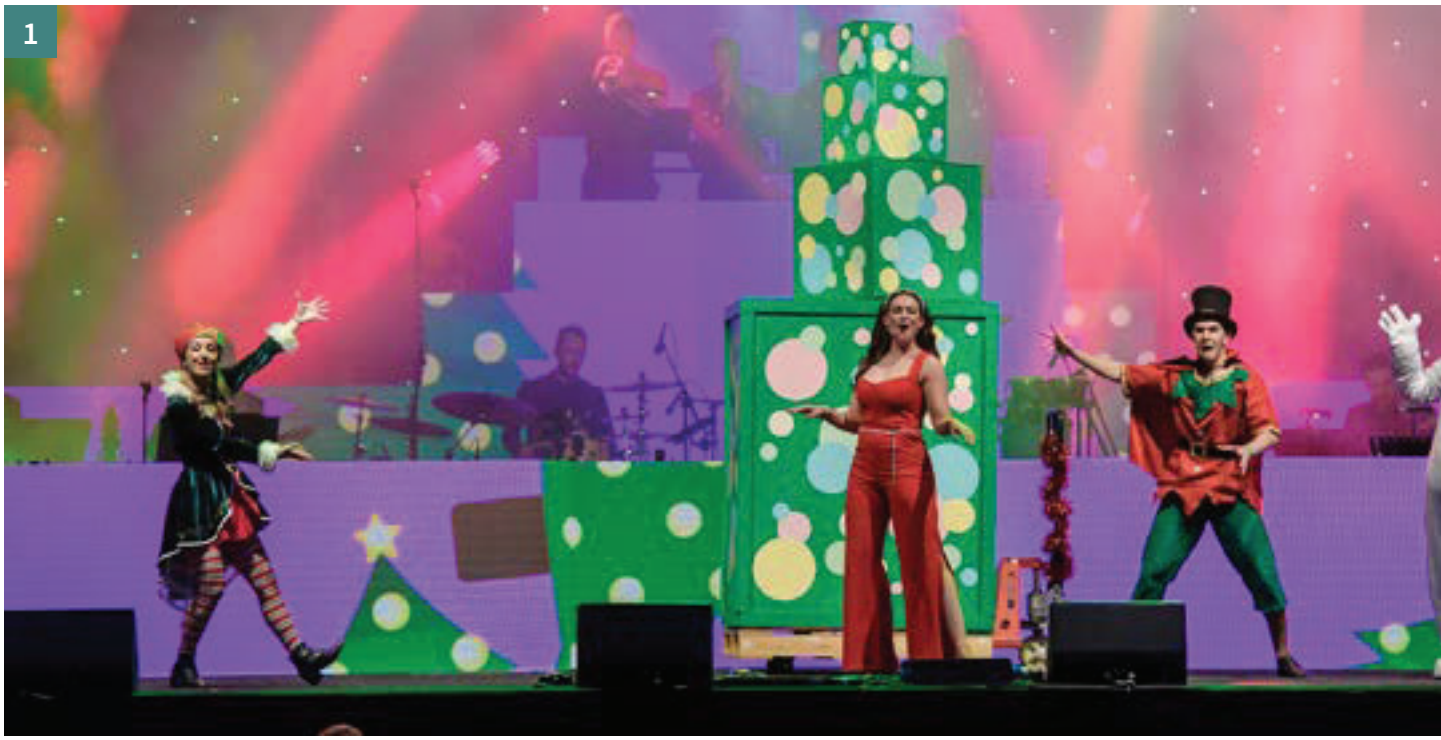
35,100
attended library, arts and culture events conducted

51,000
volunteer hours completed

18
community engagement activities

The year that was

A pictorial review of some of our major achievements in 2021–2022.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2

3

1. **Events:** An estimated 52,650 people attended major and activation events within the City, including Civic Park Carols, which returned as a live event following an online event only in 2020 due to COVID-19 restrictions. A nature-play festival, Anzac Day events and sponsored events were also held. Special thanks to our sponsors: Nine Network Adelaide, Westfield Tea Tree Plaza, Solo Resource Recovery, Can:Do Group, Retire Australia and Amuse Event Lighting and Audio Visual.
   Picture: Civic Park Carols.

2. **Footpaths and roads:** About $7.6 million was invested in roads and footpaths to improve safety and accessibility in various locations across the City.
   Picture: Footpath construction.

3. **Buildings and facilities:** A number of key Council buildings and facilities were upgraded. This included a major upgrade of Modbury Bowling Club, where a roof was installed over the two synthetic greens, while design work commenced for a new community building and sporting clubroom at Harpers Field (Golden Grove).
   Picture: Modbury Bowling Club (Ridgehaven).

4. **Supporting our community:** Looking out for the wellbeing of our community has been more important than ever during the COVID-19 pandemic, such as programs through our community and recreation centres, our library and at other community venues.
   Picture: Pathways Community Centre volunteer. The centre received a community grant to assist with their food distribution program.

4

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5. **Open spaces and verges:** More than 1,300 hectares of Council-owned parks, reserves and gardens were maintained. With an eye to the future, thousands of trees and shrubs were planted to improve biodiversity and to help us cope with climate change.
Picture: John Eichner Reserve at Greenwith.

6. **Community Waste Water Management System:** Thanks to lobbying from residents, elected members and staff, customers of our Community Wastewater Management System (CWMS) became SA Water customers on 1 July 2022 – potentially saving customers hundreds of dollars a year.
Picture: An SA Water employee liaises with a former CWMS customer – photo courtesy of SA Water.

7. **Modbury Precinct:** Works to revitalise Modbury continued, including a major upgrade of the Meadowvale Inclusive Precinct, while streetscape improvements were progressed on Golden Grove, Montague and North East Roads in the precinct.
Picture: Meadowvale Inclusive Precinct

8. **Waste:** An additional 6,325 Mini Muncher kitchen caddies and 2,060 green organics bins were distributed to residents who previously did not have these items. This has contributed to a 54-tonne reduction in waste going to landfill during the reporting period.
Picture: Residents using a new green organics bins and a Mini Muncher kitchen caddy.

Strategic direction & achievements

Council uses a suite of strategic management plans to set its priorities and guide decision making and annual business planning, including budgeting.

The Strategic Plan 2025 is the lead document in Council's strategic planning framework. It articulates our vision and aspirations for the community – that is, everyone who lives in, works in or visits the City of Tea Tree Gully.

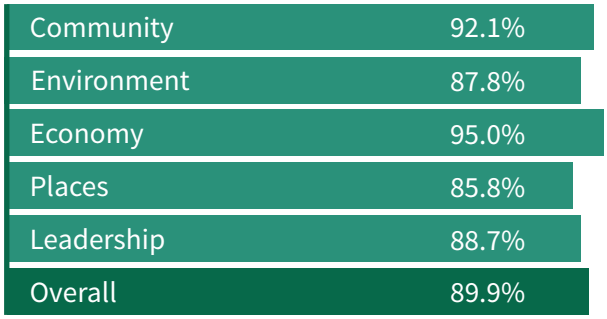
Community wellbeing is at the heart of the plan, which aims to build a healthy community that enjoys a quality lifestyle.

To ensure that we have the flexibility to adjust to changing priorities and build our capacity, we have also developed a plan geared towards improving the way we do business.

In working towards this vision, the 2021–2022 Annual Business Plan and Budget identified key projects, programs and services that we anticipated would deliver on the aspirations and objectives identified in these plans.

The chart (right) illustrates how we are tracking against the key performance indicators for each theme outlined in our Strategic Plan 2025.

Strategic Plan 2025: Summary of progress 2021–2022



Our annual Get Growing plant sale was held to encourage residents to plant native plants in their gardens.

Reporting on strategic plan themes and objectives

Community

We create opportunities for people to connect with one another and to their local community.

Objectives

- People feel a sense of belonging, inclusion and connection with places, spaces and the community
- Diversity is welcome and celebrated
- There are opportunities for people to volunteer, give back and share their skills with others in the community
- Our services are accessible to all and respond to changing community needs
- People can have a say in decisions that affect them and the key decisions of the Council

Achievement highlights

- An average 90% satisfaction level for Council-run major community events, according to evaluation surveys
- 5 citizenship ceremonies conducted with 587 new Australian citizens
- 18 formal opportunities for the community to have their say via the community engagement process
- A DHS survey showed 78% of participants felt better connected to people due to involvement with our community centres

Our annual tree planting days continue to prove popular with residents.

Environment

We are leaders in how we manage and care for our environment – we minimise the impacts of climate change, protect our community from public and environmental health risks, and actively promote sustainable and healthy living.

Objectives

- Environmentally valuable places and sites that are flourishing and well cared for
- A community that is protected from public and environmental health risks
- The carbon footprint of our city is reduced through the collective efforts of community and Council, including business
- Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources
- We are resilient to climate change and equipped to manage the impact of extreme weather events
- Our tree canopy is increasing

Achievement highlights

- A 14.7% reduction in greenhouse gas emissions from the same period last year
- A 4.67% reduction in electricity consumption from the same period last year
- Despite an increase of 389 bins, waste going to landfill reduced by 54 tonnes
- In response to the State Government's single-use plastics ban, Council now provides compostable bags at all dog waste bag dispensers. Approximately 1.8 million bags have been used in this period.

Michelle, a local business owner, who received support through our Small Business Advisory Service.

Economy

We support a thriving local economy where businesses are successful and people have access to a range of employment and education opportunities.

Objectives

- Modbury Precinct is revitalised as the City's key activity centre
- A population profile that supports a growing economy
- A local economy that is resilient and thrives, where businesses are supported to grow and prosper, provide local jobs and sustain our economy, and visitors can utilise technology to improve the liveability of our City
- People are supported to develop their leadership and employment capabilities
- Support the efficient use of land for valuable mineral extraction and energy resources

Achievement highlights

- The City's Gross Regional Product has increased by $0.2 billion to $3.4 billion over the last 12 months
- 233 unique businesses supported through the small business advisory service and workshops
- There are 5,499 actively trading businesses in the City of Tea Tree Gully – an increase of 20 businesses.

Solandra Reserve at Modbury North. Some sections of the playground were upgraded in 2021–2022.

Places

We create places where people enjoy living and spending time because they are appealing, safe, accessible and interesting.

Objectives

- Streets, paths, open spaces and parks are appealing, safe and accessible
- Opportunities exist to express and experience art and culture
- Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to cars
- Buildings and places are well designed, energy efficient and display a uniqueness of character and identity
- Housing is well designed and affordable and responds to the changing needs of existing and future residents
- Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained

Achievement highlights

- The reconstruction and major upgrade of Memorial Drive, Tea Tree Gully, between Neale Street and Dowding Terrace, was completed on time and budget, with the total cost of work being $796,000
- Bentley Skate Bowl reconstructed and upgraded at a cost of $517,000
- Sports Lighting – Bulkana Oval LED lighting and Modbury Sporting Club projects completed at a cost of $436,000
- Streetlight LED Changeover Stage 1: approximately 500 lights changed to date, saving approximately $34,000 annually in energy and tariff costs

A Council project manager consults with a contractor on the Ladywood Road streetscape upgrade.

Leadership

We are trusted to make good decisions that are in the best interests of our community.

Objectives

- Leadership and advocacy is focused on the long-term interests of the community
- Customer service provides a positive experience for people based on honesty and transparency
- Planning considers current and future community needs
- Delivery of services is sustainable and adaptable
- Decision making is informed, based on evidence and is consistent
- Major strategic decisions are made after considering the views of our community

Achievement highlights

- 70 continuous improvement activities identified by staff and reported to Council. This is well above the target of 25 initiatives per year, highlighting the commitment of the organisation and staff to embed continuous improvement into standard work practices.
- An operating expenditure at year end which is 2.12% under the quarter three budget review forecast

Reporting our progress on 2021–2022 targets

The measure of our success was driven by the achievement of the objectives outlined in our Strategic Plan. A series of performance indicators has been developed to measure our progress against these objectives.

In addition to these indicators, we also use a number of financial measures to assess the achievements of our organisation, which are detailed in the Our Finances section of this report (from page 54).

Measures of success

Wellbeing indicators	Target	Achieved
Overall community wellbeing score	75	76.4
Resident satisfaction with their life as a whole	65%	62%
Resident satisfaction with how safe they feel	71%	77%
Resident satisfaction with feeling part of the community	46%	43%
Resident satisfaction with opportunities to have their say	57%	55%
Capital works indicators		
Capital works projects completed by 30 June 2022	90%	70%[1]
Customer service indicators		
Overall resident satisfaction with Council communications	75%	63%
Enquiry resolution at the first point of contact	65%	82%

[1] During 2021–2022, Council received significant government grant funding for numerous community infrastructure projects, such as sporting facility and building upgrades. These projects were generally delivered with sporting clubs and other partners, who also contributed funding. Several of these projects were endorsed after the adoption of our Annual Business Plan 2021–2022, with some planned to run over multiple financial years. The cumulative value of these projects carrying over into 2022–2023 significantly impacted the percentage of projects completed.

Participants in a Compassion Cafe event at Redwood Park discuss death and dying.

The entrance of our Civic Centre at Modbury.

Our Council

The City of Tea Tree Gully is divided into six wards and represented by the Mayor and 12 Elected Members, elected by the local community every four years.

The roles of the Mayor and Elected Members are specified within the *Local Government Act 1999*, the legislation that provides the framework for councils to operate in South Australia.

Elected Members play a vital leadership role in representing the interests of the community and setting the vision and strategic direction of Council.

Mayor and Elected Members

Mayor

Kevin Knight
0414 723 009 or kevin.knight@cttg.sa.gov.au

Balmoral Ward

Cr Rob Unger
0416 116 654 or rob.unger@cttg.sa.gov.au

Position vacant
Cr Olivia Savvas filled the position of Ward Councillor for Balmoral Ward from November 2018 until her election to the State Government on 29 March 2022.

Pedare Ward

Cr Brett Rankine
0434 366 469 or brett.rankine@cttg.sa.gov.au

Cr Bernie Keane
0407 560 215 or bernie.keane@cttg.sa.gov.au

Steventon Ward

Cr Lucas Jones JP
0425 411 618 or lucas.jones@cttg.sa.gov.au

Cr Jessica Lintvelt
0432 170 364 or jessica.lintvelt@cttg.sa.gov.au

Drumminor Ward

Cr Damian Wyld
0402 751 889 or damian.wyld@cttg.sa.gov.au

Cr Lyn Petrie
0401 877 700 or lyn.petrie@cttg.sa.gov.au

Hillcott Ward

Cr Sandy Keane
0419 850 779 or sandy.keane@cttg.sa.gov.au

Cr Kristianne Foreman
0419 608 661 or kristianne.foreman@cttg.sa.gov.au
Elected 14 December 2021. Vacancy created due to the removal from office of Cr Alicia Schlueter on 24 August 2021.

Water Gully Ward

Cr Robin Coleman
0412 139 773 or robin.coleman@cttg.sa.gov.au

Cr Peter Field
0430 515 032 or peter.field@cttg.sa.gov.au

Elector representation

Periodic review of elector representation

Councils in South Australia are required (by section 12 of the *Local Government Act 1999*) to carry out a comprehensive review of all aspects of their elector representation arrangements to determine whether the community would benefit from an alteration to its composition or ward structure.

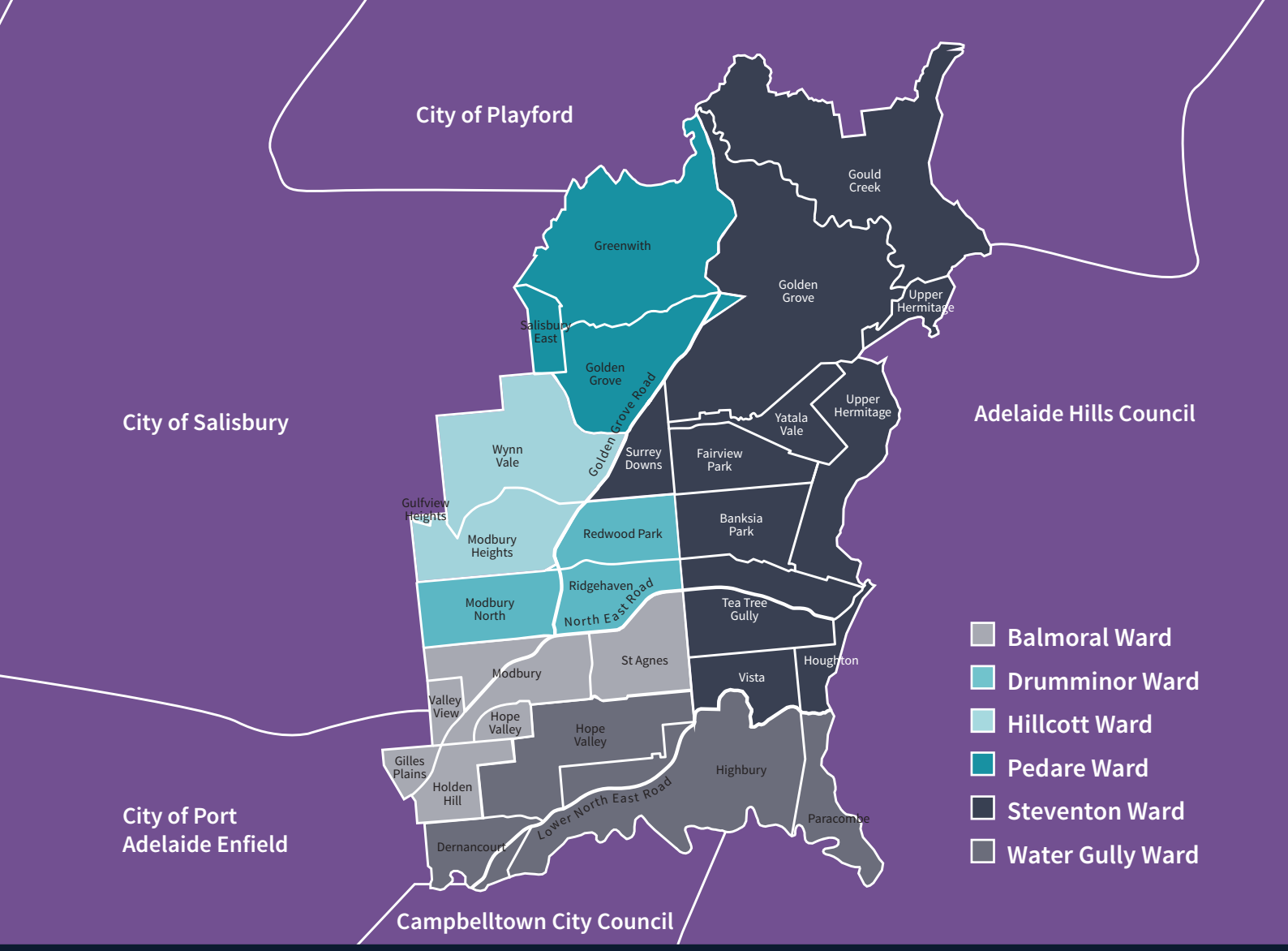
This review must be undertaken at least once in each relevant period, as prescribed by the *Local Government (General) Regulations 2013* and published by notice in the South Australian Government Gazette. The City of Tea Tree Gully last undertook a review between October 2016 and October 2017, with the next review scheduled for October 2024 to October 2025.

Sections 12, 26 and 33 of the *Local Government Act 1999* set out the requirements and processes that councils are required to follow when undertaking an elector representation review. Areas considered in this type of review include:

- election or appointment of the principal member (mayor or chairperson)
- whether the Council area should be divided into wards and/or whether existing wards should be abolished
- the number of councillors that should represent the community (including the number of voters represented by each councillor if divided into wards)
- the boundaries or names of wards if there are to be any.

As part of the review process, Council must prepare a representation report that covers these areas, which will be subject to public consultation.

The Council must then make a decision on what the future representation structure and composition of Council would be. Depending on the nature of the final representation report, it may be referred to the Electoral Commissioner of South Australia for consideration as per the requirements in the Act. Any changes made to Council's composition or structure as a result of the review would come into effect for the next periodic local government elections.



The City of Tea Tree Gully is represented by 13 Council Members, including the Mayor, who is elected by the whole community, and 12 Elected Members representing six wards (two councillors per ward), who are elected by voters in their wards.

The Mayor and 12 Elected Member positions represent a total of 74,880 electors across the City of Tea Tree Gully, with each Elected Member representing an average of approximately 5,760 electors. This continues to be one of the highest numbers of electors per elected member of all 68 South Australian councils.

The chart below compares the City of Tea Tree Gully's representation quota with neighbouring and other comparable councils. The representation quota has been determined by dividing the total number of electors for each council by the number of elected members.

Council name	Number of Elected Members	Number of electors	Representation quota
Onkaparinga	13	131,830	10,140
Salisbury	15	98,474	6,564
Tea Tree Gully	13	74,880	5,760
Charles Sturt	17	90,259	5,309
Marion	13	68,216	5,247
Port Adelaide Enfield	18	89,105	4,950
Playford	16	67,796	4,237
Campbelltown	11	37,137	3,376
Adelaide Hills	13	30,462	2,343

Allowances & training

Allowances

Elected Members receive an annual allowance to assist with the cost of performing their duties.

These allowances are set by the independent Remuneration Tribunal of South Australia in accordance with the provisions of section 76 of the *Local Government Act 1999*.

Elected Members may receive support in performing their duties as prescribed in the *Local Government Act 1999* and Council's Elected Member Support Policy. The Policy, as well as a register that records all Elected Members' allowances and support, is available to view on our website.

Other allowances

External independent members of two of Council's committees are paid a sitting fee to attend meetings.

Audit Committee	Allowance paid
Independent members	$500 per meeting

Council Development Assessment Panel	Allowance paid
Presiding member	$563.75 per meeting
Independent member	$461.25 per meeting
Elected member	$256.25 per meeting

Elected Member	Allowance paid Jul 2021–Jun 2022
Mayor Kevin Knight	$87,878.55
Cr Alicia Schlueter [1]	$3,196.65
Cr Olivia Savvas [2]	$13,329.09
Cr Lyn Petrie	$21,969.62
Cr Sandy Keane	$21,969.62
Cr Bernie Keane	$21,969.62
Cr Jessica Lintvelt	$21,696.62
Cr Rob Unger [3]	$23,173.63
Cr Damian Wyld [4]	$27,462.05
Cr Lucas Jones [5]	$27,462.05
Cr Peter Field [6]	$27,462.05
Cr Robin Coleman [7]	$27,462.05
Cr Kristianne Foreman [8]	$11,915.03

[1] *Removal from Office from 24 August 2021*
[2] *Resignation from Council on 29 March 2022*
[3] *Presiding Member of Service Reviews Committee (sitting fee of between $230–$248 per meeting)*
[4] *Presiding Member of the Governance and Policy Committee*
[5] *Deputy Mayor and Presiding Member of the CEO Performance and Remuneration Review Committee*
[6] *Presiding Member of Audit Committee*
[7] *Presiding Member of Traffic Management Safety Committee*
[8] *Elected 14 December 2021*

Gifts and benefits

No gifts above the value of $50 were declared as provided to members of the Council during the relevant financial year.

Development and training

The City of Tea Tree Gully is committed to providing training and development activities for Elected Members in accordance with the Elected Member Training and Development Policy.

During 2021–2022, the training and development program for Elected Members included the following professional learning opportunities, along with some relevant workshop discussion topics:

- Golden Grove rezoning – rural living to residential, commercial and recreational areas
- SA Water Little Para Reservoir
- Recycling contract
- Public lighting
- Playground Guide
- Overview of the 'In Focus' website
- Overview of key project current points of interest and other topical subjects
- Community grants
- Tree management
- Strategic land opportunities
- Fair treatment awareness
- Local Government Reform
- Elected Member city tour – capital works underway 2021–2022
- Elected Member city tour – capital works
- Budget 2022–2023
- State Government election promises 2022
- Waterworld community engagement future planning project
- Records management and Information
- Community Grants
- Developer-led Code Amendments
- Supashock tour and presentation
- Disability inclusion and awareness training
- Progress report on key projects in 2021–2022 update
- Storm damage update
- Differential rate
- Australian Local Government Association National General Assembly
- Local Government Association Annual and Ordinary General Meetings
- Mandatory training for newly elected member.

Council invested approximately $11,000 to provide this training and development.

The following table provides a summary of the details of any interstate and international travel (excluding prescribed interstate travel) undertaken by members of the Council during the relevant financial year funded in whole or in part by the Council. The costings are as at 30 June 2022.

Name	Training	Cost
Cr Lucas Jones	Australian Local Government Association National General Assembly – Canberra	$2337.87
Cr Jessica Lintvelt	Australian Local Government Association National General Assembly – Canberra	$2329.21
Cr Lyn Petrie	Australian Local Government Association National General Assembly – Canberra	$2846.84

Confidentiality provisions

While Council and committee meetings are generally conducted in public, in the interest of the broader community it may be necessary to restrict public access to discussion and/or documents.

During 2021–2022, of the 460 agenda items, 38 were considered in accordance with section 90(3) of the *Local Government Act 1999*, where it was necessary to exclude the public from the discussion of a particular matter. This represents approximately 8% of matters considered by Council and its committees.

The following table summarises the number of occasions that the provisions listed in section 90(2) (excluding the public during debate) or section 91(7) (documents to be kept confidential for a period of time) were used during the 2021–2022 financial year. The confidential status was current at 30 June 2022.

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
28 June 2022	Council	Harpers Field Community Building and Clubrooms Redevelopment Section 48 Prudential Report	1	(b)	1	Order remains
28 June 2022	Council	Draft Annual Business Plan 2022–2023 amendments	1	(d) and (h)	1	Order remains
14 June 2022	Audit	Harpers Field Community Building and Clubrooms Redevelopment Section 48 Prudential Report	1	(b)	1	Order remains
14 June 2022	Council	Correspondence from Ombudsman – Complaint relating to the Investigation Process for Third Party Referrals	1	(j)	1	Order remains
24 May 2022	Council	Organisational Structure – Current considerations	1	(a)	0	No retention

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
17 May 2022	Special Meeting of Council	Chief Executive Officer Recruitment – Next Steps	1	(a)	1	Released on 20 May 2022
10 May 2022	Council	Feedback on ESCOSA Proposed Framework and Approach – Section 122 Strategic Management Plan Advice Scheme	1	(j)	1	Released on 30 June 2022
26 April 2022	Council	Recycling Centre Appeal – 1272 North East Road, Tea Tree Gully	1	(h) and (i)	1	Released on 5 May 2022
26 April 2022	Council	Golden Grove Residential and Commercial Code	1	(m)	1	Order remains
22 March 2022	Council	Supplementary Election Corflutes	1	(i)	1	Minutes released on 30 March 2022 Other order remains
22 March 2022	Council	Edinburgh Reserve Inclusive Playspace – Procurement Status	1	(b) and (k)	1	Released on 27 April 2022
22 March 2022	Council	City Beautification Project – Procurement Status	1	(b) and (k)	1	Released on 11 May 2022
8 March 2022	Council	Recycling Centre Appeal – 1272 North East Road, Tea Tree Gully	1	(b) and (h)	1	Released on 5 May 2022
8 March 2022	Council	Update – Mayor Knight Facebook Live Interview	1	(a), (e), (h) and (j)	1	Order remains

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
8 March 2022	Council	Funding Support for Cities of Mitcham and Unley litigation	1	(i)	1	Order remains
8 March 2022	Council	Sale of Land for Non-Payment of Council Rates	1	(a)	1	Order remains
8 February 2022	Council	Waterworld – Entrance Turnstiles and Foyer Works – Funding Approval	1	(k)	1	Released on 31 May 2022
8 February 2022	Council	Mayor Knight Facebook Live Interview	1	(a), (e) and (j)	1	Order remains
3 February 2022	Special Meeting of Council	Mayor Knight social media interview and related matters	1	(a), (e) and (j)	1	Order remains
18 January 2022	Council	Chief Executive Officer's Employment	1	(a) and (k)	1	Report and attachments released on 31 May 2022 Minutes released on 25 January 2022
18 January 2022	Council	Electricity Procurement	1	(d)	1	Order remains
18 January 2022	Council	Sale of land for Non-Payment of Council Rates	1	(a)	1	Order remains
18 January 2022	Council	Supplementary Election Corflutes	1	(h)	1	Order remains
14 December 2021	Council	Potential Property Acquisition – 70 Valley Road, Hope Valley	1	(b)	0	No retention
14 December 2021	Council	Joint Use Animal Pound with City of Salisbury	1	(d)	1	Released on 1 March 2022

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
14 December 2021	Council	13 Australia Avenue – Disposal of Land	1	(b) and (k)	1	Order remains
14 December 2021	Council	2022 City of Tea Tree Gully Australia Day Awards	1	(o)	1	Released on 3 February 2022
23 November 2021	Council	Modbury Jets Soccer Club – Funding Requirements	1	(k)	1	Released on 1 March 2022
23 November 2021	Council	Council Assessment Panel Membership	1	(a)	1	Order remains
16 November 2021	Special Meeting of Council	CWMS Prudential Report Update	1	(b)	0	No retention
16 November 2021	Special Meeting of Council	Community Wastewater Management System (CWMS) Prudential Report update and request to provide draft report to SA Water and Minister for Environment and Water	1	(b)	1	Released on 3 February 2022
11 November 2021	Audit Committee	CWMS Prudential Report Update	1	(b)	0	No retention
9 November 2021	Council	Update relating to matters regarding Mayor Kevin Knight	1	(j)	0	No retention
9 November 2021	Council	Sale of Land for Non-Payment of Council Rates	1	(a)	1	Order remains
28 September 2021	Council	Public Lighting	1	(i)	1	Order remains

Date of meeting	Council / committee	Subject matter	Section 90(2)	Section 90(3)	Section 91(7)	Confidentiality status
14 September 2021	Council	Draft CEO Performance and Remuneration Review Outcomes 2020–2021 Recommendations from the CEO Performance and Remuneration Review Committee held on 6 September 2021	1	(a)	1	Released on 9 November 2021
6 September 2021	CEO Performance and Remuneration Review Committee	Draft CEO Performance and Remuneration Review Outcomes 2020–2021	1	(a)	1	Released on 9 November 2021
24 August 2021	Council	Disposal of 13 Australia Avenue – shortlisted respondents for Stage 2 tender process	1	(k)	1	Order remains
Total orders			**38**		**34**	

A total of 30 confidential retention orders expired, ceased to apply or were revoked (or partly revoked) during 2021–2022 (including 15 orders which were made in 2021–2022).

There were 36 confidential retention orders under section 91(7) that remained operative as at 30 June 2020 (made after 15 November 2010). Of these, 18 are listed in the above table, with the remaining 17 operative as at 30 June 2022 listed below.

Date of meeting	Council/committee	Subject matter	Section 90(3)
8 June 2021	Council	Notice of Motion – Apology to Edinburgh Reserve Petition Group	(i)
8 June 2021	Council	Sale of Land for Non-Payment of Council Rates and Bad Debt Write-Off	(a)
4 May 2021	Special Meeting of Council	Deputy Mayor Report – In relation to Council Resolution Number 780 from the Special Meeting of Council 17 March 2021	(j)
13 April 2021	Council Meeting	Disposal of 13 Australia Avenue – Tender Documentation	(b) and (k)
23 March 2021	Special Meeting of Council	Public Statement – Third Party Referral	(j)
17 March 2021	Special Meeting of Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/005321	(j)
17 March 2021	Special Meeting of Council	Chief Executive Officer Report – Third Party Referral – Final Report – 2020/005321	(j)
23 February 2021	Council	Third Party Referral – Final Report – 2020/003687	(a)
27 October 2020	Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/002486, 2020/003501, 2020/003535, 2020/003646, 2020/005321	(j)
27 October 2020	Council	Deputy Mayor Report – Third Party Referral – Final Report – 2020/002094	(a), (e) and (j)
25 August 2020	Council	Third Party Referral considerations	(j)
14 July 2020	Council	Third Party Referral	(j)

29 June 2020	Council	Complaint lodged by Mr Kevin Knight against Chief Executive Officer	(a), (h) and (j)
23 Jun 2020	Council	Options for Cost Recovery Associated with Acquisition of Strategic Land	(b)
25 February 2020	Council	Third Party Referral – 2020/002486	(j)
25 February 2020	Council	Third Party Referral – 2020/002094	(a), (e), (f), (g) and (j)
21 January 2020	Council	Sale of Land for Non-Payment of Council Rates	(a)
27 August 2019	Council	Sale of Land for Non-Payment of Council Rates	(a)

The following table identifies the grounds on which the Council considered the matters and determined to exclude the public from the discussion and the related documentation.

This differs from the total number of confidential orders as a number of confidential orders fell under more than one ground [subparagraph of section 90(3)(a)-(o)].

Section 90(3) subparagraph	Grounds on which the matter was considered	Total
90(3)(a)	information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)	12
90(3)(b)	information the disclosure of which— (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and (ii) would, on balance, be contrary to the public interest	10
90(3)(c)	information the disclosure of which would reveal a trade secret	0
90(3)(d)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest	3
90(3)(e)	matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person	3
90(3)(f)	information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial	0
90(3)(g)	matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty	0
90(3)(h)	legal advice	5
90(3)(i)	information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council	4
90(3)(j)	information the disclosure of which— (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and (ii) would, on balance, be contrary to the public interest	6

Section 90(3) subparagraph	Grounds on which the matter was considered	Total
90(3)(k)	tenders for the supply of goods, the provision of services or the carrying out of works	7
90(3)(m)	information relating to a proposed amendment to a Development Plan under the *Development Act 1993* before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act	1
90(3)(n)	information relevant to the review of a determination of council under the *Freedom of Information Act 1991*	0
90(3)(o)	information relating to a proposed award recipient before the presentation of the award	1
Total instances of 90(3) subparagraphs used		**52**

Internal review of Council decisions

The *Local Government Act 1999* provides for any individual to ask for a review of a decision made by Council, its employees or other persons acting on behalf of the Council.

During the 2021–2022 period, Council received 3 applications for an internal review of a decision, as summarised in the table below.

The Internal Review of Council Decisions Policy is available on our website.

Subject matter	Number of applications	Decision outcome
Decision regarding the maintenance schedule increased on the traffic island opposite Sarnia Farm Road, St Agnes	1	Decision upheld
Decision to not repair piping caused by tree roots and remove trees at Texas Court, Wynn Vale	1	Decision upheld
Decision to not remove trees along Wheal Court, Golden Grove	1	Decision upheld
Total number of applications	**3**	

One of our horticultural team members, on the job in the River Torrens Linear Park.

Our organisation

We're a high-performing, progressive and dynamic organisation committed to making a positive difference in people's lives through the provision of quality services and infrastructure.

Our people are our greatest asset and are critical to achieving our vision for our City and community. We provide a safe and secure working environment and seek to develop our people and build on our service-based culture. Diversity and inclusion are encouraged, as is open, transparent and accountable decision making.

Organisational structure

Our organisational structure on page 39 enables us to deliver varied and responsive services to meet the diverse needs of our community.

Our organisation is structured into the following four portfolios, each led by an Executive Leadership Team member (Chief Executive Officer and three directors):

- Office of the Chief Executive Officer
- Assets and Environment
- Organisational Services and Excellence
- Community and Cultural Development.

Teams within each department perform specific functions, collaborate on projects and share their particular knowledge and expertise across the organisation.

Organisational structure

As at 30 June 2022

Staff profile

Executive remuneration

As at 30 June 2022, the Executive Leadership Team consisted of the Chief Executive Officer and three directors with remuneration packages in the range of $247,302 to $325,670, including legislated Superannuation Guarantee contributions. Some executive team members are allocated mobile telephones, and the Chief Executive Officer also receives a fuel allowance.

Interstate and international travel

An employee attended an interstate conference in May 2022 for two days. Total cost of attendance was approximately $1,500, including travel, accommodation and conference fees.

An employee attended an interstate conference in May 2022 for five days. Total cost of attendance was approximately $3,200.

Gifts received

A summary of gifts received above the value of $50 is provided from page 41.

Position	Date offered or received	Name of organisation providing the gift or benefit	Description of gift or benefit	Reason for acceptance	Estimated value
Director	2/8/2021	Master Plumbers Assoc.	Bottle of wine, glasses and certificate of 25 years association	Gift seems to be in recognition of 25 years association with the MPA, the gift is likely to be given to an employee or team as a reward and recognition	$50
Council Incident Management Team	18/08/2021	Clinpath	Cakes and cheeses etc.	Good working relationship	$50
Events Officer and Events Coordinator	27/09/2021	Showmen Productions	3 complimentary tickets for Carols Creative team to go to Circus The Show at Her Majesty's Theatre	Performers will be part of our 2021 Civic Park Carols event and this will be an opportunity for the creative team to see the show live and work through the specifics of the set that will be performed at our event	$150
CEO	6/10/2021	UDIA	Complimentary ticket for Forum with Leader of the Opposition as guest speaker	To gain further knowledge regarding the Opposition's views on development	$150
Environmental Sustainability Coordinator	18/10/2021	Green Adelaide Board	Two books for placing in Library catalogue	Books given as acknowledgement for signing the National Parks City Charter	$80

Position	Date offered or received	Name of organisation providing the gift or benefit	Description of gift or benefit	Reason for acceptance	Estimated value
Property searches	10/12/2021	Key Conveyancing	Gift basket	Acknowledgement of services provided over the last year; shared with team and Community Christmas Tree	$100
Active Ageing Team	13/12/2021	13 CABS	Cooler bags	Good working relationship to support aged community members	$50
Rates Team	13/12/2021	Credit Solutions	Gift basket – consumables	Good working relationship	$100
Executive Assistant	22/12/2021	Frances Bedford MP	2 Christmas cakes	Thank you to all staff – one for Civic Centre and one for Service Centre	$50
Recreation and Leisure Services Team	16/12/2021	Modbury Jets Amateur Football Club	Gift basket	Courier left at reception and club would not accept return	$65

Position	Date offered or received	Name of organisation providing the gift or benefit	Description of gift or benefit	Reason for acceptance	Estimated value
City of Tea Tree Gully	22/12/2021	Tennis SA	10 tickets to Adelaide International 2022	Received as part of Council's Tennis SA Award for Most Outstanding Council at the May 2021 Tennis SA Awards; eight tickets offered amongst the four local tennis clubs and two staff tickets returned to Tennis SA	$65 per ticket ($650 total for 10 tickets)

Participants in our Busy Bees Brekky Playgroup at Holden Hill Community Centre.

Our reporting

Transparent and accountable governance underpins our business and demonstrates that we're operating in the best interests of our community.

Council has a number of legislative obligations for corporate reporting. Our ethical, transparent and accountable reporting framework ensures future sustainability, effective use of resources, and that we meet our legal obligations.

Policies, registers & codes

Policies

All City of Tea Tree Gully policies, including those required by legislation, are available on our website.

Registers

The *Local Government Act 1999* and the *Local Government (Elections) Act 1999* require Council to establish various registers.

The City of Tea Tree Gully has established the following registers in accordance with the provisions of the relevant legislation.

- Community Land Register
- Confidential and Released Documents for Council and Committee Meetings Register
- Delegations Register
- Elected Member Allowances and Benefits Register
- Elected Member Declaration of Interests Register for Council and Committee Meetings
- Elected Member Gifts Register
- Elected Member Information or Briefing Session Register
- Employee Gifts and Benefits Register
- Fees and Charges Register
- Register of Interests (Elected Members, Committee Members [where relevant], Staff [where relevant] and Council Assessment Panel members)
- Register of By-laws and Certified Copies. The City of Tea Tree Gully has the following by-laws:
  - Permits and penalties
  - Roads
  - Local government land
  - Dogs
  - Moveable signs
  - Waste management
  - Register of Remuneration, Salaries and Benefits
  - Road Register
  - Voters roll

Note: Council does not have a Register of Building Upgrade Agreements as it has no such agreements in place.

Codes

Codes of conduct or practice kept as required by the *Local Government (Elections) Act 1999* and the *Local Government Act 1999* include:

- Code of Conduct for Council Members
- Code of Practice – Access to Council and Committee Meetings and Documents
- Code of Practice for Meeting Procedures.

Other public documents

A number of other Council documents (including Council's Annual Business Plan and Annual Report) are made available for public inspection at the Civic Centre, in accordance with section 132 and Schedule 5 of the *Local Government Act 1999*.

Many of these documents are available on our website.

Freedom of information

The *Freedom of Information Act 1991* extends to every person the right to access information held by state and local government agencies.

To access information in accordance with the *Freedom of Information Act 1991*, a person must submit an application clearly specifying the nature of the information required.

The City of Tea Tree Gully received 45 applications during the 2021–2022 financial year.

Applications received	**2020–2021**	**2021–2022**
Total applications received	53	45
Applications brought forward from the previous year	3	4
Applications determined	48	41
Applications transferred in full	0	0
Applications withdrawn	4	0
Lodgement by MP (no payment required)	12	14
Lodged by concession (fees waived)	9	6
Personal applications	15	16
Non-personal applications	38	25
Determination outcomes		
Full release	25	12
Partial release	15	16
Refused release	8	13
Clauses and reasons for refusal referenced		
Reason for restricted/refusal – exempt agencies	0	0
Reason for restricted/refusal – record does not exist/documents not held	3	6
Reason for restricted/refusal – personal affairs (clause 6)	13	11
Reason for restricted/refusal – business affairs (clause 7)	3	6
Reason for restricted/refusal – incomplete (section 15)	0	0
Reason for restricted/refusal – unreasonable diversion of resources (section 18(1))	0	2
Reason for restricted/refusal – abuse of rights/purpose (section 18(2))	0	1
Reason for restricted/refusal – fees not paid/no payment received (clause 18(3))	3	1
Reason for restricted/refusal – exempt (section 20(1))	14	18
Reason for restricted/refusal – documents otherwise accessible (section 20(1)(b))	1	1

Applications received	2020–2021	2021–2022
Internal review		
Applications for internal review	5	2
Internal review determined	5	2
Internal review transferred in full	0	0
Internal review withdrawn	0	0
Internal review decision confirmed	5	1
Internal review decision reversed	0	0
Internal review decision varied	0	1
External review		
Applications for external review	3	2
External review withdrawn	3	1
External review decision confirmed	0	1
External review decision reversed	0	0
External review decision varied	0	0

Competitive tendering arrangements

In accordance with Australia's National Competition Policy (Clause 7) requirements, Council can report as follows:

1. While Council was engaged in many negotiations for the provision of goods and services to the public for the 2021–2022 financial year, some of which were of a business nature, it was concluded that none of these could be regarded as significant.
2. In relation to the complaints procedure, implemented in compliance with National Competition Policy, Council does not have any complaints pending. When complaints are received, they are dealt with according to Council's General Complaints Policy.

Procurement Policy

For tendering and general procurement practices, Council has a Procurement Policy in place, which has been developed and adopted in accordance with section 49 of the *Local Government Act 1999*.

This policy is underpinned by the following key procurement principles:

- Value for money
- Open and fair competition
- Professional integrity and probity
- Client service provision
- Management of risk
- Accountability
- Simplicity
- Local industry sourcing.

Thirty-three contracts were competitively tendered (awarded) in accordance with Council's Procurement Policy during 2021–2022. These included contracts for plant, services, consultants, maintenance, horticulture, construction and roadworks, with some works/services bundled into one competitive tender process.

All tenders are evaluated fairly, equitably and transparently, using Council's adopted tender selection system to assess the quality of the tenderer and their ability to meet specification and performance requirements.

Where appropriate, and given an equal outcome of the evaluation process, preference is given to local companies over those based elsewhere in SA. In addition to our comprehensive tendering process, our Council's policy provides guidance on any requests for quotation for works/services valued at less than $100,000. The works are typically quoted on a competitive basis, with assessment criteria aligned to our Procurement Policy.

Council participates in a number of regional procurement processes, including those of Procurement Australia and Local Government Association Procurement. These are governed by those organisations' independent procurement policies.

During the year Council did not terminate any business dealings bound by competitive neutrality provisions. Competitive neutrality provisions and full-cost attribution continue to be applied to all business reviews as part of Council's Continuous Improvement Program.

As at 30 June 2022, Council held a monopoly business undertaking in providing Community Wastewater Management System services to more than 4,600 residents. This business was regulated under the *Water Industry Act 2012*. As at 1 July 2022, the service was transitioned to SA Water.

By-laws review

Council's by-laws were reviewed in 2021 and the review considered competitive neutrality provisions.

Community land & Council facilities

Council has 607 reserves under its care classified as community land, including sporting hubs and community buildings, open space, playgrounds and reserve furniture, creek lines and drainage reserves, screening reserves and plantations.

The *Local Government Act 1999* requires Council to prepare and adopt community land management plans.

These plans provide clarity and certainty to the community about the development and management of community land.

Changes to community land management plans during 2021–2022 were as follows:

- Modbury Heights – Hargrave Reserve: cricket pitch has been added to the management proposal
- Greenwith – Little Para Reserve: the following notation has been included in the description, 'There is a free and unrestricted right of way over the access roadway in favour of the Minister for Public Infrastructure as well as an easement for the purpose of constructing and maintaining the access roadway.' This was identified during a property title search in September 2021
- Dernancourt/Highbury – River Torrens Linear Park: a future memorial structure has been added to the management proposal
- Surrey Downs – Tilley Recreation Park: addition of shipping container to the management proposal
- Hope Valley – Hope Valley Sports Area: approved lease to Telstra over portion of land to accommodate a telecommunications tower
- St Agnes – addition of local playground to Kaplan Reserve, St Agnes
- Fairview Park – Tarni Reserve: addition of play equipment and removal of reference to specific types of infrastructure
- Tea Tree Gully – community land parcel at 1335A North East Road named 'Gilmour Park' included in the Community Land Management Plan – Tea Tree Gully.

A comprehensive review of all community land management plans commenced in early 2021 and is anticipated to be completed during the 2022–2023 financial year.

Community land management plans are available on our website.

Community Land Register

Section 207 of the *Local Government Act 1999* requires Council to keep a register of all community land within its boundaries. This register is available on our website.

In 2021–2022, capital improvement works were carried out on a number of our properties. These are listed in our Annual Business Plan which is available on our website.

Facilities available for hire range from clubrooms and community halls to reserves and recreation centres. Most may be hired under a seasonal permit, casual hire application, or lease or licence arrangement.

Council has endorsed the Leases and Licences to Sporting and Community Organisations Policy. Currently there are 48 endorsed leases or licences to community groups and sporting clubs within the Council area.

Development applications

Applications received in 2021–2022	
Total number of applications lodged	1,867
Applications lodged include the following types:	
Planning, building rules only, staged, privately certified, combined, and land division	
Total number of applications approved	1,425
Number of applications refused	13
Number of applications outstanding (at 30 June 2022)	376

Local nuisance & littering complaints

The table below shows the number of complaints received under the *Local Nuisance and Litter Control Act 2016* for the 2021–2022 financial year.

	Litter	Nuisance
Regulation 5(a)		
Complaints of local nuisance or littering received by Council	770	150
Regulation 5(b)		
(i) Offences under the Act that were expiated	19	1
(ii) Offences under the Act that were prosecuted	0	0
(iii) Nuisance abatement notices or litter abatement notices issued	1	4
(iv) Civil penalties negotiated under section 34 of the Act	0	0
(v) Applications by the Council to the Court for orders for civil penalties under section 34 of the Act	0	0
And the number of orders made by the Court for those applications	0	0
Regulation 5(c)		
Any other function performed by the Council under the Act	0	0

A section of the playground at Civic Park, Modbury.

Our finances

We're committed to strong and sustainable financial management.

Achieving and maintaining financial sustainability is a key long-term objective. Financial sustainability enables the delivery of services and infrastructure to meet growing community needs. The financial statements included in this section provide information on the financial performance of Council.

Financial overview

Council manages approximately $1.6 billion in assets. These assets include land, community buildings, library resources, recreation facilities, equipment, roads, footpaths, bridges, traffic control devices and stormwater drains.

To maintain our City's valuable assets and ensure continuous delivery of our services, Council collects revenue from ratepayers and receives some funding grants from both the Australian Government and the State Government of South Australia.

In setting annual rates, Council is always mindful of the need to keep rates affordable for householders and businesses.

Council's annual budget is guided by the Financial Sustainability Policy and the Long-Term Financial Plan (LTFP) 2022–2031. Our LTFP is underpinned by five guiding principles. These are as follows:

- Maintain existing assets at existing service levels
- Continue to review assets, with proceeds of any sales reinvested into the community
- Build capacity to lower existing debt over the period of three to five years
- Retain tight constraints on operating expenditure
- Ensure the capital works program includes a level of funding for new or unexpected projects.

The following information summarises our performance over the last financial year regarding our Financial Sustainability Policy.

Operating surplus

According to our Financial Sustainability Policy, we should aim for our budget to be in surplus. Council recorded an operating surplus of $8.985 million before new capital revenues for the 2021–2022 financial year, compared to a surplus of $8.223 million in 2020–2021. Council has therefore met this financial goal.

Funding asset renewal and depreciation

A key measure of whether or not a council is renewing or replacing its assets at the same rate that its overall stock of assets is wearing out is the asset sustainability ratio (ASR). This is calculated by measuring expenditure on renewal or replacement of assets relative to the recorded rate of asset depreciation for the same period.

Council aims to have capital outlay on renewing or replacing assets (net of proceeds from the sale of replaced assets) as greater than 90% but less than 110% of depreciation over a rolling three-year period. The ASR for the 2021–2022 financial year was 104.2%.

Debt limitation

Council's LTFP includes a goal to reduce existing debt over a period of three to five years. The net financial liabilities ratio (NFLR) is the key measure to test whether Council is achieving this reduction.

Net financial liabilities (NFL) are defined as total liabilities less financial assets (excluding equity-accounted investments in Council businesses).

The NFL result of $18.123 million (which gives an NLFR of 17.7%) for the end of financial year is below the Council's LTFP target for NFLR of 25–35%.

Review of assets

Council has reviewed its assets actively and continuously, in line with planning objectives laid out in its Strategic Plan 2025, City Master Plan and infrastructure and asset management plans.

Council rate increases

In July 2012, Council adopted a differential rating system. This provides us with increased flexibility to moderate movements in valuations that occur periodically in the market and allows us to raise rates at different levels. It ensures that commercial and industrial sites continue to contribute appropriately to help fund Council services, regardless of property market fluctuations in those categories. Differential rates thus support economic development and capital growth.

In the 2021–2022 financial year, Council set a rate that covered the cost of existing service provision, both legislated and discretionary, and also costs projected in the LTFP and the adopted asset management plans.

Further information on our rating system is included in our Annual Business Plan.

Financial statements

A copy of the City of Tea Tree Gully's audited financial statements is provided with this Annual Report and is also published on our website.

Auditor remuneration

The remuneration payable to Council's auditor for the annual audit of the financial statements was $28,700 (plus GST). No other remuneration was payable to the auditor for the 2021–2022 financial year.

Annual Business Plan 2021–2022 performance

Council adopted the Annual Business Plan 2021–2022 on 29 June 2021. This plan outlines goals for the financial year, including projections for services, programs and projects, our budget and changes to rates.

The table on page 57 summarises our financial performance in 2021–2022 compared with our original budget projections.

Credit cards

To streamline financial processes, Council utilises credit cards. A total of $3.36 million (ex GST) in payments were made via credit card in 2021–2022. There are detailed credit card procedures and extensive internal control process in place around the reviewing and processing of credit card transactions.

Indicators	Formula	LGA suggested range	Council target	2021–2022	2020–2021	2019–2020
Operating surplus	Operating income less operating expenses	Break even or better over 5 years	Break even or better over 3 years	$8,985m	$8,087m	$5.067m
Adjusted operating surplus ratio	Operating surplus as a percentage of total operating revenue	0% – 15%	2.5% – 10%	8.8%	8.2%	5.2%
Net financial liabilities ratio including land held for sale	Total liabilities less financial assets divided by operating revenue	0% – 100%	25% – 35%	17.7%	24.6%	29.2%
Net financial liabilities including land held for sale	Total liabilities less financial assets divided by operating revenue	–	–	$17.5m	$23.9m	$28.3m
Net financial liabilities ratio excluding land held for sale	Total liabilities less financial assets	–	–	17.1%	24.3%	29.2%
Net financial liabilities excluding land held for sale	Total liabilities less financial assets	–	–	$18.1m	$24.5m	$28.8m
Asset sustainability ratio	Expenditure on renewal and replacement of assets less disposal proceeds from replaced assets/ depreciation expenses	90% – 110% over a rolling 3-year period	90% – 110% over a rolling 3-year period	104.2%	104.5%	100.1%
Fiscal balance	Net lending position or net borrowing requirement in the uniform presentation of finances table	–	–	$6.3m	$4.3m	$2.9m

Financial statements

General purpose financial statements
for the year ended 30 June 2022.

City of Tea Tree Gully

General Purpose Financial Statements

for the year ended 30 June 2022

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City of Tea Tree Gully

General Purpose Financial Statements

for the year ended 30 June 2022

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 2022 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.

Ryan McMahon
Chief Executive Officer

Date: 15 September 2022

Kevin Knight
Mayor

Date: 15 September 2022

City of Tea Tree Gully

Statement of Comprehensive Income

for the year ended 30 June 2022

$ '000	Notes	2022	Restated 2021
Income			
Rates	2a	85,972	82,900
Statutory Charges	2b	2,290	2,554
User Charges	2c	3,451	2,688
Grants, Subsidies and Contributions	2g	8,832	7,588
Investment Income	2d	52	57
Reimbursements	2e	93	68
Other income	2f	1,978	2,408
Total Income		102,668	98,263
Expenses			
Employee costs	3a	35,712	36,066
Materials, Contracts and Other Expenses	3b	40,378	37,099
Depreciation, Amortisation and Impairment	3c	17,221	16,380
Finance Costs	3d	372	495
Total Expenses		93,683	90,040
Operating Surplus / (Deficit)		8,985	8,223
Physical Resources Received Free of Charge	2h	157	181
Asset Disposal & Fair Value Adjustments	4	(4,393)	297
Amounts Received Specifically for New or Upgraded Assets	2g	4,411	2,605
Net Surplus / (Deficit)		9,160	11,306
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	91,633	19,675
Total Amounts which will not be reclassified subsequently to operating result		91,633	19,675
Total Other Comprehensive Income		91,633	19,675
Total Comprehensive Income		100,793	30,981

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

City of Tea Tree Gully

Statement of Financial Position

as at 30 June 2022

$ '000	Notes	2022	Restated 2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	8,432	3,908
Trade & Other Receivables	5b	4,690	4,476
Inventories	5c	43	33
Subtotal		13,165	8,417
Non-Current Assets Held for Sale	19	512	512
Subtotal		512	512
Total current assets		13,677	8,929
Non-current assets			
Other Non-Current Assets	6	8,598	7,986
Infrastructure, Property, Plant & Equipment	7a(i)	1,652,411	1,558,553
Total non-current assets		1,661,009	1,566,539
TOTAL ASSETS		1,674,686	1,575,468
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	26,326	12,932
Provisions	8c	4,455	4,420
Total Current Liabilities		30,781	17,352
Non-Current Liabilities			
Borrowings	8b	–	15,000
Provisions	8c	507	511
Total Non-Current Liabilities		507	15,511
TOTAL LIABILITIES		31,288	32,863
Net Assets		1,643,398	1,542,605
EQUITY			
Accumulated Surplus		414,151	403,419
Asset Revaluation Reserves	9a	1,228,960	1,137,327
Other Reserves	9b	287	1,859
Total Council Equity		1,643,398	1,542,605
Total Equity		1,643,398	1,542,605

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

City of Tea Tree Gully

Statement of Changes in Equity

for the year ended 30 June 2022

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		403,419	1,137,327	1,859	1,542,605
Net Surplus / (Deficit) for Year		9,160	–	–	9,160
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	91,633	–	91,633
Other comprehensive income		–	91,633	–	91,633
Total comprehensive income		9,160	91,633	–	100,793
Transfers between Reserves		1,572	–	(1,572)	–
Balance at the end of period		414,151	1,228,960	287	1,643,398
2021					
Balance at the end of previous reporting period		392,163	1,118,346	2,031	1,512,540
Adjustments (due to voluntary changes in Accounting Policies)	23	(222)	(694)	–	(916)
Net Surplus / (Deficit) for Year		11,478	–	(172)	11,306
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	19,675	–	19,675
Other comprehensive income		–	19,675	–	19,675
Total comprehensive income		11,478	19,675	(172)	30,981
Balance at the end of period		403,419	1,137,327	1,859	1,542,605

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

City of Tea Tree Gully

Statement of Cash Flows

for the year ended 30 June 2022

$ '000	Notes	2022	Restated 2021
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		85,754	82,855
Statutory Charges		2,290	2,923
User Charges		3,451	2,932
Grants, Subsidies and Contributions		8,832	7,680
Investment Receipts		52	57
Reimbursements		93	74
Other Receipts		14,259	9,274
Payments			
Payments to Employees		(35,555)	(36,876)
Payments for Materials, Contracts & Other Expenses		(39,494)	(42,926)
Finance Payments		(372)	(495)
Net Cash Provided by (or Used In) Operating Activities	11b	39,310	25,498
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		4,411	2,605
Sale of Replaced Assets		857	447
Payments			
Expenditure on Renewal/Replacement of Assets		(16,283)	(16,771)
Expenditure on New/Upgraded Assets		(8,868)	(6,597)
Net Cash Provided (or Used In) Investing Activities		(19,883)	(20,316)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Bonds & Deposits		97	53
Payments			
Repayments of Borrowings		(15,000)	(4,000)
Net Cash Provided by (or Used In) Financing Activities		(14,903)	(3,947)
Net Increase (Decrease) in Cash Held		4,524	1,235
plus: Cash & Cash Equivalents at Beginning of Period		3,908	2,673
Cash and Cash Equivalents Held at End of Period	11a	8,432	3,908

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

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

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Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 15 September 2022.

1.2 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).

1.4 Estimates and assumptions

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.

(2) The Local Government Reporting Entity

City of Tea Tree Gully is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 571 Montague Road, Modbury.

(3) Income Recognition

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

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

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

continued on next page ...

Note 1. Summary of Significant Accounting Policies (continued)

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

	Cash Payment Received	Annual Allocation	Difference
2019/20	$3,305,009	$4,382,691	- $1,077,682
2020/21	$3,865,290	$3,847,133	- $18,157
2021/22	$5,068,633	$4,016,655	$1,051,968

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

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

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

(5) Inventories

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

5.1 Real Estate Assets Developments

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.

(6) Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

continued on next page ...

Note 1. Summary of Significant Accounting Policies (continued)

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	$3,000
Fleet & Plant	$3,000
Buildings - new construction/extensions	$5,000
Information Technology	$3,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

Office Equipment	3 to 10 years
Office Furniture	4 to 20 years
Plant and Equipment	3 to 8 years
Technology	3 to 15 years

Building & Other Structures

Footings	60 to 150 years
Envelope	45 to 150 years
Fitout - Flooring	15 to 35 years
Fitout - Internal	30 to 100 years
Roof	10 to 100 years
Mechanical Services	15 to 40 years
Fire Services	40 years
Hydraulics	50 to 150 years
Electrical	50 to 150 years

Infrastructure

Road – Formation	Indefinite
Road – Pavement	40 to 250 years
Road – Seal	15 to 60 years
Kerb and Gutter	80 to 200 years
Footpaths	15 to 200 years
Bridges	30 to 250 years
Traffic Control	40 to 150 years

continued on next page ...

Stormwater	50 to 200 years
CWMS	60 to 200 years
Signage	5 to 7 years

Other Assets

Wetlands	100 to 200 years
Irrigation Systems	25 to 40 years
Public Lighting	33 to 60 years
Playing Courts	10 to 200 years
Playgrounds	20 to 65 years

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

(7) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Our Council does not presently hold any properties that it considers investment properties

(8) Payables

8.1 Goods & Services

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

8.2 Payments Received in Advance & Deposits

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

(9) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

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Note 1. Summary of Significant Accounting Policies (continued)

(10) Employee Benefits
10.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 2.901% (2021, 3.813%)

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

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(11) Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

(12) Leases

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

12.1 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.

Short-term leases and leases of low-value assets

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

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Note 1. Summary of Significant Accounting Policies (continued)

(13) GST Implications

In accordance with UIG Abstract 1031 “Accounting for the Goods & Services Tax”

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

(14) New accounting standards and UIG interpretations

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

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

- AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7))

(15) Comparative Figures

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

(16) Significant Asset Disposal - Community Wastewater Management Systems

During the financial year ended 30 June 2022, the Council entered into an agreement in which the ownership of the Community Wastewater Management Systems (CWMS) assets would transfer from Council to SA Water. As per the State Labor Party election commitment, this arrangement will enable SA Water to charge existing City of Tea Tree Gully CWMS customers SA Water Sewer rates from 1 July 2022. As a result, the assets were disposed of on 30 June 2022 when the control of the assets were transferred to SA Water. The assets were revalued to its fair value immediately prior to the transfer to assets held for sale, and the value decrement to the extent of any credit balance existing in the asset revaluation reserve in respect of the asset, was recognised in other comprehensive income. The remaining decrement was recognised in surplus or deficit for the year.

(17) Disclaimer

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

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	82,171	79,206
Less: Discretionary Rebates, Remissions & Write Offs	(1,496)	(1,508)
Total General Rates	80,675	77,698
Other Rates (Including Service Charges)		
Landscape Levy	1,831	1,815
Community Wastewater Management Systems	3,466	3,387
Total Other Rates (Including Service Charges)	5,297	5,202
Total Rates	85,972	82,900
(b) Statutory Charges		
Development Act Fees	979	1,138
Animal Registration Fees & Fines	602	603
Parking Fines / Expiation Fees	632	734
Other Licences, Fees & Fines	77	79
Total Statutory Charges	2,290	2,554
(c) User Charges		
Sundry	585	410
Admission Fees, Cemeteries and Rents	2,580	2,023
Canteen Income	284	253
Bus Charter Income	2	2
Total User Charges	3,451	2,688
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	34	34
- Banks & Other	18	23
Total Investment Income	52	57

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

$ '000	2022	2021
(e) Reimbursements		
Other	93	68
Total Reimbursements	93	68
(f) Other income		
Insurance & Other Recoupments - Infrastructure, IPP&E	195	161
Rebates Received	988	1,494
Sundry	795	753
Total Other income	1,978	2,408
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	4,411	2,605
Total Amounts Received Specifically for New or Upgraded Assets	4,411	2,605
Other Grants, Subsidies and Contributions	8,832	7,588
Total Other Grants, Subsidies and Contributions	8,832	7,588
Total Grants, Subsidies, Contributions	13,243	10,193

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

(i) Sources of grants		
Commonwealth Government	9,537	7,082
State Government	2,661	2,376
Other	1,045	735
Total	13,243	10,193
(h) Physical Resources Received Free of Charge		
Library Materials	–	181
Other	157	–
Total Physical Resources Received Free of Charge	157	181

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses

$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		28,846	28,972
Employee Leave Expense		3,584	3,658
Superannuation - Defined Contribution Plan Contributions	18	2,309	2,185
Superannuation - Defined Benefit Plan Contributions	18	681	772
Workers' Compensation Insurance		1,479	1,509
Less: Capitalised and Distributed Costs		(1,187)	(1,030)
Total Operating Employee Costs		35,712	36,066
Total Number of Employees (full time equivalent at end of reporting period)		346	342
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		31	35
Bad and Doubtful Debts		32	(118)
Elected Members' Expenses		359	366
Election Expenses		75	33
Subtotal - Prescribed Expenses		497	316
(ii) Other Materials, Contracts and Expenses			
Contractors		16,074	14,468
Contractors - Waste		4,126	4,090
Contractors - Consultants Fees		833	817
Advertising		63	58
Energy		2,977	2,499
Fringe Benefits		41	17
Insurance		1,468	1,318
Licence Fees		1,575	1,077
Water Rates		1,616	1,833
Levies - Solid Waste Levy		2,974	2,700
Legal Expenses		382	337
Levies Paid to Government - NRM levy		1,816	1,342
Levies - Other		65	530
Parts, Accessories & Consumables		5,724	5,480
Sundry		147	217
Subtotal - Other Material, Contracts & Expenses		39,881	36,783
Total Materials, Contracts and Other Expenses		40,378	37,099

continued on next page ...

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses (continued)

$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	2,070	1,911
Infrastructure		
- Stormwater Drainage	1,935	1,920
- Roads	4,860	4,805
- Footpaths	1,226	1,197
- Bridges	64	64
- Traffic Control Devices	860	602
- Community Wastewater Management	457	452
- Lighting	212	176
Plant & Equipment	2,062	2,112
Furniture & Fittings	67	66
Technology	1,524	1,273
Playground Equipment	292	287
Irrigation Systems	434	385
Fencing and Other Landscaping	366	337
Sporting Courts, Facilities	420	424
Playing Field Formation	201	207
Carpark Facilities	171	162
Subtotal	17,221	16,380
Total Depreciation, Amortisation and Impairment	17,221	16,380

(d) Finance Costs

Interest on Loans	138	272
Bank Fees & Other Finance Charges	234	223
Total Finance Costs	372	495

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 4. Asset Disposal & Fair Value Adjustments

$ '000	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	857	447
Less: Carrying Amount of Assets Sold	(998)	(150)
Gain (Loss) on Disposal	(141)	297
(ii) Assets Surplus to Requirements		
Less: Carrying Amount of Assets Sold	(4,252)	–
Gain (Loss) on Disposal	(4,252)	–
Net Gain (Loss) on Disposal or Revaluation of Assets	(4,393)	297

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

$ '000	2022	2021
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	8,432	3,908
Total Cash & Cash Equivalent Assets	8,432	3,908
(b) Trade & Other Receivables		
Rates - General & Other	2,134	1,916
Accrued Revenues	2	29
Debtors - General	1,666	1,899
GST Recoupment	796	691
Prepayments	204	32
Subtotal	4,802	4,567
Less: Allowance for Doubtful Debts	(112)	(91)
Total Trade & Other Receivables	4,690	4,476
(c) Inventories		
Stores & Materials	43	33
Total Inventories	43	33

Note 6. Non-Current Assets

$ '000	2022	2021
Other Non-Current Assets		
Other		
Capital Works-in-Progress	8,598	7,986
Total Other	8,598	7,986
Total Other Non-Current Assets	8,598	7,986

City of Tea Tree Gully

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment

(a(i)) Infrastructure, Property, Plant & Equipment

		as at 30/06/21				Asset movements during the reporting period						as at 30/06/22			
$ '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)	WIP Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Community	3	558,250	627	–	558,877	–	419	–	–	61	127,377	686,254	480	–	686,734
Land - Other	2	28,111	–	–	28,111	–	–	–	–	–	5,441	33,554	–	–	33,554
Buildings & Other Structures	3	93,365	27,863	(27,442)	93,786	2,508	1,380	–	(2,070)	2,756	–	93,364	34,944	(29,512)	98,796
Infrastructure															
- Stormwater Drainage	3	212,382	2,788	(24,169)	191,001	246	294	–	(1,935)	77	–	212,382	3,405	(26,104)	189,683
- Roads	3	535,710	6,764	(80,850)	461,624	792	2,415	–	(4,860)	1,348	–	535,709	11,319	(85,710)	461,318
- Footpaths	3	95,203	7,593	(21,262)	81,534	2,452	309	–	(1,226)	678	–	95,202	11,032	(22,487)	83,747
- Bridges	3	6,620	91	(1,161)	5,550	345	–	–	(64)	21	–	6,620	457	(1,226)	5,851
- Traffic Control Devices	3	25,745	3,103	(8,305)	20,543	238	212	–	(860)	237	–	25,745	3,790	(9,165)	20,370
- Community Wastewater Management	3	55,018	1,464	(11,000)	45,482	273	139	(4,252)	(457)	–	(41,185)	–	–	–	–
- Lighting	3	4,457	4,245	(1,787)	6,915	730	463	–	(212)	64	–	4,457	5,502	(2,000)	7,959
Plant & Equipment		–	20,654	(12,996)	7,658	–	1,863	(246)	(2,062)	–	–	–	21,150	(13,938)	7,212
Furniture & Fittings		–	909	(415)	494	4	11	–	(67)	–	–	–	924	(482)	442
Technology		–	8,283	(3,976)	4,307	25	676	(735)	(1,524)	1,138	–	–	8,769	(4,881)	3,888
Playground Equipment	3	8,457	1,104	(2,408)	7,153	40	93	(17)	(292)	2	–	8,457	1,214	(2,692)	6,979
Irrigation Systems	3	12,618	2,335	(4,150)	10,803	564	–	–	(434)	27	–	12,618	2,926	(4,583)	10,961
Fencing and Other Landscaping	3	1,428	6,363	(2,264)	5,527	587	61	–	(366)	302	–	1,428	7,312	(2,630)	6,110
Sporting Courts, Facilities	3	15,780	1,821	(4,707)	12,894	4	180	–	(420)	–	–	15,781	2,005	(5,127)	12,659
Playing Field Formation	3	4,993	3,560	(2,088)	6,465	3	–	–	(201)	–	–	4,993	3,563	(2,289)	6,267
Carpark Facilities	3	10,368	1,698	(2,237)	9,829	57	75	–	(171)	93	–	10,367	1,922	(2,408)	9,881
Total Infrastructure, Property, Plant & Equipment		1,668,505	101,265	(211,217)	1,558,553	8,868	8,590	(5,250)	(17,221)	6,804	91,633	1,746,931	120,714	(215,234)	1,652,411
Comparatives		1,647,688	92,757	(202,077)	1,538,368	6,871	9,650	(150)	(16,790)	1,709	19,861	1,668,505	101,265	(211,217)	1,558,553

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Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & 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

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

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

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

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

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

Transfers between fair value hierarchy levels

In the course of revaluing (name the asset classes), the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

Other Information

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

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

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Note 7. Infrastructure, Property, Plant & Equipment (continued)

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

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis.
No capitalisation threshold is applied to the acquisition of land or interests in land.
Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c) are reviewed annually (see Note 1).

During the year, a desktop valuation has been completed based on market evidence of valuations provided by the Valuer General in 2021-22 as at 30 June 2022. The property valuation data provided from the Valuer General in 2021-22 resulted in an average 25% increase in property valuations.

Buildings & Other Structures

Buildings and other structures are generally recognised at fair value, based on current market values. However, special purpose buildings (such as public toilets) for which there is no market are valued at depreciated current replacement cost. Buildings that Council does not intend to replace at the end of their useful life are valued at the market value of the "highest and best" use. These assets were valued as at 30 June 2017 by APV Valuers and Asset Management. Assets will be depreciated by a consumption method.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: APV Valuers & Asset Management, 3/97 Pirie St, Adelaide SA 5000

During 2018/19 a valuation inspection was conducted by APV Valuers & Asset Management, a number of Park Shelters were identified and valued at market rates.

Infrastructure

Infrastructure assets were valued by APV Valuers and Asset Management as at 30 June 2019 to reflect their service potential.

Assets have been depreciated by a consumption based method from 1 July 2009. Valuations of Signs were based on an estimated quantity of signs and an estimated average cost per sign. Technology infrastructure which was acquired in the financial year has been included with these classes of assets.

Stormwater Drainage and Community Wastewater Management
- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie St, Adelaide SA 5000

During the financial year ended 30 June 2022, the Council entered into an agreement in which the ownership of the Community Wastewater Management Systems (CWMS) assets would transfer from Council to SA Water. As per the State Labor Party election commitment, this arrangement will enable SA Water to charge existing City of Tea Tree Gully CWMS customers SA Water Sewer rates from 1 July 2022. As a result, the assets were disposed of on 30 June 2022 when the control of the assets were transferred to SA Water. The assets were revalued to its fair value immediately prior to the transfer to assets held for sale, and the value decrement to the extent of any credit balance existing in the asset revaluation reserve in respect of the asset, was recognised in other comprehensive income. The remaining decrement was recognised in surplus or deficit for the year.

Roads, Kerb and Gutter, Footpaths
- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019

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Note 7. Infrastructure, Property, Plant & Equipment (continued)

- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Structures, Bridges, Car Parks
- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

A desktop valuation has been completed on our Car Park assets during 2019/20 resulting in improved componentisation.

Traffic Control Devices
- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Lighting
- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Library Assets

Due to a voluntary change in Accounting Policy, Library Assets have been removed from Infrastructure, Property, Plant & Equipment during the financial year ended 30 June 2022. For more information, see Note 23. Retrospective Adjustment due to Changes in Accounting Policies.

Playground Equipment

Playground equipment was revalued by APV Valuers and Asset Management in 2019 to reflect service potential. Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Irrigation Systems

Irrigation assets were revalued by APV Valuers and Asset Management in 2019 to reflect service potential.
Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Fencing and Other Landscaping

Fencing assets were revalued by APV Valuers and Asset Management in 2019 to reflect service potential.
Condition based assessment was undertaken as part of the valuation on 30 June 2019. Additions completed in late 2019 are included at cost.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Sporting Courts and Facilities

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Note 7. Infrastructure, Property, Plant & Equipment (continued)

Sporting Courts and Facilities were valued by APV Valuers to reflect their service potential as at 30 June 2019. Full condition based assessment was undertaken as part of the revaluation on 30 June 2019.
Assets have been depreciated by a consumption based method from 1 July 2009.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

Playing Field Formation

Playing Field Formation were valued by APV Valuers and Asset Management in 2019 to reflect service potential.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019
- Valuer: APV Valuers & Asset Management, 3/97 Pirie Street, Adelaide SA 5000

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	174	–	108	–
Payments Received in Advance	17,561	–	5,456	–
Accrued Expenses - Employee Entitlements	3,222	–	3,096	–
Accrued Expenses - Other	5,046	–	4,021	–
Deposits, Retentions & Bonds	243	–	146	–
Other	80	–	105	–
Total Trade and Other Payables	26,326	–	12,932	–
(b) Borrowings				
Loans	–	–	–	15,000
Total Borrowings	–	–	–	15,000

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

(c) Provisions				
Employee Entitlements (including oncosts)	4,455	507	4,420	511
Total Provisions	4,455	507	4,420	511

City of Tea Tree Gully

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 9. Reserves

$ '000	as at 30/06/21 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/22 Closing Balance
(a) Asset Revaluation Reserve					
Land - Community	459,459	127,377	–	–	586,836
Land - Other	4,573	5,441	–	–	10,014
Buildings & Other Structures	31,457	–	–	–	31,457
Infrastructure					
- Stormwater Drainage	134,530	–	–	–	134,530
- Roads	363,554	–	–	–	363,554
- Footpaths	57,218	–	–	–	57,218
- Bridges	3,880	–	–	–	3,880
- Traffic Control Devices	11,490	–	–	–	11,490
- Community Wastewater Management	41,185	(41,185)	–	–	–
Plant & Equipment	75	–	–	–	75
Playground Equipment	1,358	–	–	–	1,358
Irrigation Systems	1,549	–	–	–	1,549
Fencing and Other Landscaping	494	–	–	–	494
Sporting Courts, Facilities	2,008	–	–	–	2,008
Carpark Facilities	1,961	–	–	–	1,961
Other Assets	22,536	–	–	–	22,536
Total Asset Revaluation Reserve	1,137,327	91,633	–	–	1,228,960

$ '000	as at 30/06/21 Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/22 Closing Balance
(b) Other Reserves					
Community Waste Water Management	1,572	–	(1,572)	–	–
Developer Contribution Reserve	186	–	–	–	186
Pathways North East Reserve	101	–	–	–	101
Total Other Reserves	1,859	–	(1,572)	–	287

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 Waste Water Management
The Community Waste Water Management (CWMS) Other Reserve is to fund maintenance and upgrade of Council's community wastewater pipe network. During the financial year ended 30 June 2022, the balance of the CWMS Other Reserve was transferred to Accumulated Surplus on disposal of the CWMS Assets.

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Note 9. Reserves (continued)

Developer Contribution Reserve
The Developer Contribution Reserve is a reserve where contributions are made to fund infrastructure projects in particular areas.

Pathways North East Reserve
The Pathways North East Reserve is a reserve to fund youth projects.

Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions.

Note 11. Reconciliation to Statement of Cash Flows

$ '000	Notes	2022	2021
(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 & Equivalent Assets	5	8,432	3,908
Balances per Statement of Cash Flows		8,432	3,908
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		9,160	11,306
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		17,221	16,380
Non-Cash Asset Acquisitions		(157)	(181)
Grants for capital acquisitions treated as Investing Activity		(4,411)	(2,605)
Net (Gain) Loss on Disposals		4,393	(297)
		26,206	24,603
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(235)	75
Change in Allowances for Under-Recovery of Receivables		(21)	119
Net (Increase)/Decrease in Inventories		(10)	83
Net (Increase)/Decrease in Other Assets		42	(238)
Net Increase/(Decrease) in Trade & Other Payables		13,297	667
Net Increase/(Decrease) in Unpaid Employee Benefits		31	189
Net Cash provided by (or used in) operations		39,310	25,498

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows (continued)

$ '000	Notes	2022	2021
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
Physical Resources Received Free of Charge	2h	157	181
Amounts recognised in Income Statement		157	181
Total Non-Cash Financing and Investing Activities		157	181

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts	300	300
Corporate Credit Cards	900	800
LGFA Cash Advance Debenture Facility	42,000	44,000

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

Council has access to cash facilities of $42 million and minimises interest expense by transferring funds between cash at bank and the debenture facility.

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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 2022	INCOME 2021	EXPENSES 2022	EXPENSES 2021	OPERATING SURPLUS (DEFICIT) 2022	OPERATING SURPLUS (DEFICIT) 2021	GRANTS INCLUDED IN INCOME 2022	GRANTS INCLUDED IN INCOME 2021	TOTAL ASSETS HELD (CURRENT & NON-CURRENT) 2022	TOTAL ASSETS HELD (CURRENT & NON-CURRENT) 2021
Functions/Activities										
Office of the CEO	47	55	1,468	2,891	(1,421)	(2,836)	–	–	–	–
Assets and Environment	1,995	2,513	56,599	56,280	(54,604)	(53,767)	1,179	1,673	1,661,631	1,567,071
Community and Cultural Development	7,539	7,206	14,702	14,224	(7,163)	(7,018)	2,057	2,118	1,586	1,853
Organisational Services & Excellence	92,731	88,665	20,709	17,290	72,022	71,375	5,596	3,797	11,469	6,544
Total Functions/Activities	102,312	98,439	93,478	90,685	8,834	7,754	8,832	7,588	1,674,686	1,575,468

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

OFFICE OF THE CEO
Office of the Chief Executive Officer, Governance and Policy, City Strategy.

ASSETS AND ENVIRONMENT
Civil and Buildings Projects, Operations, Fleet and Property Services, Civil Assets, Civil Operations, Waste and Environment Operations, Parks, Strategic Assets.

COMMUNITY AND CULTURAL DEVELOPMENT
City Development, Community Development and Engagement, Community Safety, Library Services, Recreation and Leisure Services.

ORGANISATIONAL SERVICES & EXCELLENCE
Continuous Improvement, Customer and Communications, Finance and Rating Operations, Information Technology Solutions, Organisational Development, Procurement and Contract Management.

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 0.3% and 0.6% (2021: 0.3% and 0.6%).

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

Receivables - Rates & 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 5.05% (2021: 5.05%). 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 & 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.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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, borrowings are repayable (describe basis); interest is charged at variable rates between 1.3% and 6.72% (2021: 1.3% and 6.72%).

Carrying Amount:
Approximates fair value.

Liabilities - Leases

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

$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash & Cash Equivalents	8,432	–	–	8,432	8,432
Receivables	2,352	–	–	2,352	2,352
Total Financial Assets	10,784	–	–	10,784	10,784
Financial Liabilities					
Payables	8,765	–	–	8,765	8,765
Total Financial Liabilities	8,765	–	–	8,765	8,765
2021					
Financial Assets					
Cash & Cash Equivalents	3,908	–	–	3,908	3,908
Receivables	2,528	–	–	2,528	2,528
Total Financial Assets	6,436	–	–	6,436	6,436
Financial Liabilities					
Payables	7,476	–	–	7,476	7,476
Non-Current Borrowings	15,000	–	–	15,000	15,000
Total Financial Liabilities	22,476	–	–	22,476	22,476

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

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

	2022		2021	
$ '000	**Weighted Avg Interest Rate**	**Carrying Value**	**Weighted Avg Interest Rate**	**Carrying Value**
Other Variable Rates	0.00%	–	1.57%	15,000
		–		15,000

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.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

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

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

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

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

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

Note 14. Capital Expenditure Commitments

$ '000	2022	2021
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	1,713	1,064
City Beautification	2,493	1,002
Sporting courts/pitch renewal/Open Space	450	431
Other projects	453	177
	5,109	2,674
These expenditures are payable:		
Not later than one year	5,109	2,674
	5,109	2,674

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 15. Financial Indicators

$ '000	Amounts 2022	Indicator 2022	Prior Periods 2021	2020
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.				
Operating Surplus *Is the Operating Surplus (Deficit) before capital amounts.*		**8,985**	8,223	5,067
Operating Surplus Ratio Operating Surplus / Total Operating Income *This ratio expresses the operating surplus as a percentage of total operating revenue.*	**8,985** / **102,668**	**8.8%**	8.2%	5.2%
Net Financial Liabilities (excluding Non-Current Assets Held for Sale) *Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses) and excluding non-current assets held for sale).*		**18,123**	24,479	28,849
Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale) Net Financial Liabilities / Total Operating Income *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.*	**18,123** / **102,668**	**17.7%**	24.9%	29.7%
Net Financial Liabilities (including Non-Current Assets Held for Sale) *Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses) and including non-current assets held for sale.*		**17,521**	23,968	28,338

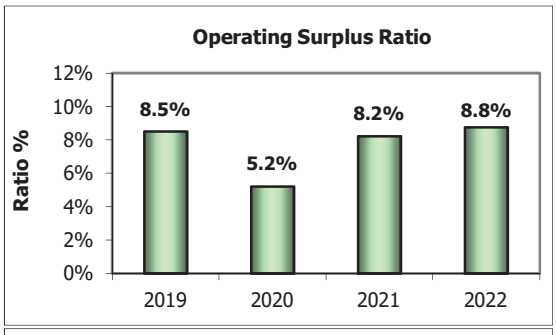
Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

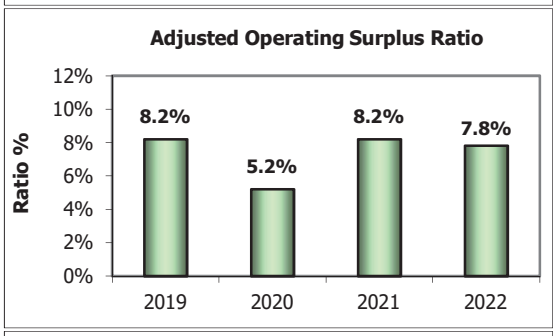
Note 15. Financial Indicators (continued)

$ '000	Amounts 2022	Indicator 2022	Prior Periods 2021	2020
Net Financial Liabilities Ratio (including Non-Current Assets Held for Sale)				
Net Financial Liabilities / Total Operating Income	17,521 / 102,668	**17.1%**	24.3%	29.2%
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjustments to Ratios				
In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.				
Adjusted Operating Surplus Ratio		**7.8%**	8.2%	5.2%
Adjusted Net Financial Liabilities Ratio		**17.8%**	24.9%	29.7%
Interest Cover Ratio				
Finance Costs Expense less Investment Income / Total Operating Income	320 / 102,668	**0.3%**	0.4%	1.1%
Interest Cover is defined as finance costs expense (excluding unwinding of present value discounts and premiums) less Investment Income as a percentage of Total Operating Income (less Investment Income).				
Asset Renewal Funding Ratio				
Net Asset Renewals / Infrastructure & Asset Management Plan required expenditure	16,283 / 15,628	**104.2%**	104.5%	100.1%
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.				
Fiscal Balance		**6,323**	4,287	2,927
Net lending position or net borrowing requirement in uniform presentation of finances				

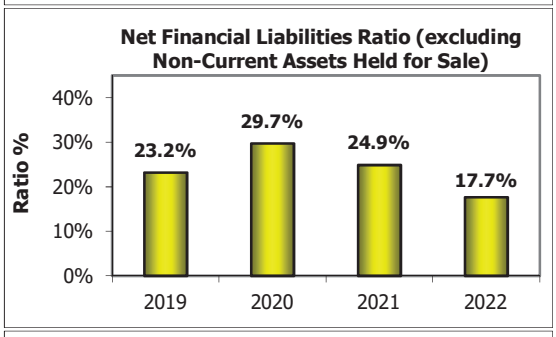
Note 15. Financial Indicators - Graphs



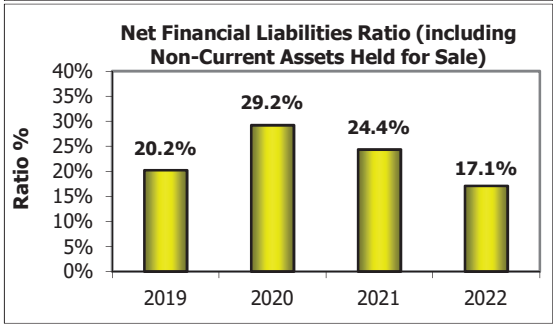
Purpose of Operating Surplus Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 8.8%
This indicator is to determine the percentage the operating revenue varies from operating expenditure	Operating Surplus Ratio is the operating surplus (deficit) before capital. The Operating Surplus Ratio for 2021/22 is 8.8% which is within Council's target of 2.5% - 10%.



Purpose of Adjusted Operating Surplus Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 7.8%
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	The Adjusted Operating Surplus Ratio is the operating surplus (deficit) before capital adjusted for timing differences from the Financial Assistance Grants and Supplementary Road Funding payments. The Adjusted Operating Surplus Ratio for 2021/22 is 7.8% which is within Council's target of 2.5% - 10%.

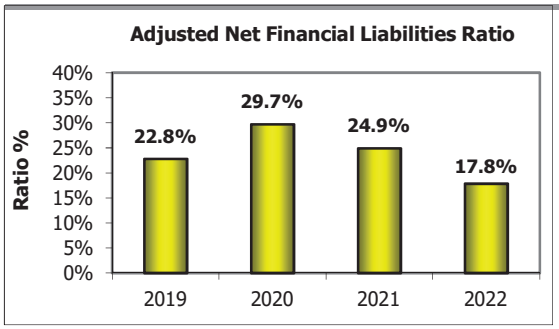


Purpose of Net Financial Liabilities Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 17.7%
This indicator shows the significance of the net amount owed to others, compared to operating revenue	The Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale) for 2021/22 is 17.7% which is under Council's target of 25% - 35%.

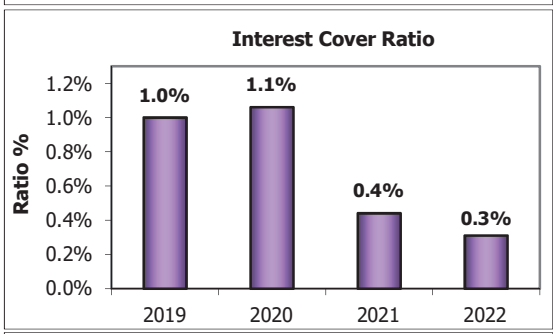


Purpose of Net Financial Liabilities Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 17.1%
This indicator shows the significance of the net amount owed to others, compared to operating revenue	The Net Financial Liabilities Ratio (including Non-Current Assets Held for Sale) for 2021/22 is 17.1% which is under Council's target of 25% - 35%.

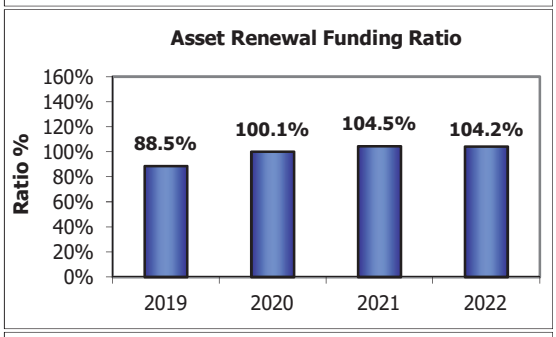
Note 15. Financial Indicators - Graphs (continued)



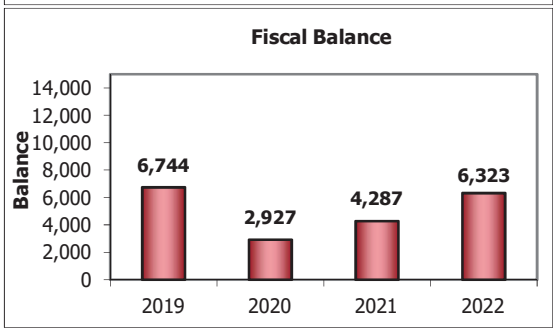
Purpose of Adjusted Net Financial Liabilities Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 17.8%
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure	The Adjusted Net Financial Liabilities Ratio (excluding Non-Current Assets Held for Sale) for 2021/22 is 17.8% which is under Council's target of 25% - 35%.



Purpose of Interest Cover Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 0.3%
This indicator measures the ability to pay interest on outstanding debt	The percentage of revenue allocated to interest (investment income) for 2021/22 is 0.3%.



Purpose of Asset Renewal Funding Ratio	Commentary on 2021/22 Result
	2021/22 Ratio 104.2%
This indicator aims to determine if assets are being renewed and replaced in an optimal way	The Asset Sustainability Ratio for 2021/22 is 104.2% within the target ratio of 90% - 110% over a three year rolling period.



Purpose of Fiscal Balance	Commentary on 2021/22 Result
	2021/22 Ratio 6,323
Indicates the lending position or net borrowing requirement in uniform presentation of finances	The Fiscal Balance ensures that Council has the capacity to reduce debt. The Fiscal Balance position in 2021/22 was $6,323.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

$ '000	2022	2021

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	102,668	98,263
less Expenses	(93,683)	(90,040)
Operating Surplus / (Deficit)	8,985	8,223
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(16,283)	(16,771)
add back Depreciation, Amortisation and Impairment	17,221	16,380
add back Proceeds from Sale of Replaced Assets	857	447
	1,795	56
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(8,868)	(6,597)
add back Amounts Received Specifically for New and Upgraded Assets	4,411	2,605
	(4,457)	(3,992)
Net Lending / (Borrowing) for Financial Year	6,323	4,287

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Council does not have any Leases.

(ii) Council as a lessor

Leases Providing Revenue to the Council

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

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

$ '000	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	181	196
Later than one year and not later than 5 years	592	659
Later than 5 years	683	810
	1,456	1,665

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). 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 2020/21) 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 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 2022

Note 19. Non-Current Assets Held for Sale & Discontinued Operations

$ '000	2022	2021
Carrying Amounts of Assets and Liabilities		
Assets		
Land	512	512
Total Assets	512	512
Net Assets	512	512

Council has resolved to dispose of a portion of Australia Avenue Reserve.

As the consideration expected to be received exceeds the carrying amount, this asset has been recognised at the carrying amount. Part of the proceeds will be used to upgrade the remaining reserve.

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. Land under roads

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

At reporting date, Council controlled **602** km of road reserves of average width **15** metres.

2. Potential insurance losses

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

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

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

3. Bank guarantees

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to **$264,957** (2021: **$281,118**) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. Legal expenses

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

5. Other events

Council has a comprehensive Safety First Strategy in place to ensure compliance with the Work, Health and Safety Legislation and the WorkCover Performance Standards for Self-Insured Employers. Our Council is also a member of the Local Government Workers Compensation Scheme.

Note 21. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

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

City of Tea Tree Gully

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 22. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 37 persons were paid the following total compensation:

$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Executive Staff (4 FTE)	992	981
Non-Executive Staff (20 FTE)	3,140	3,541
Elected Members (13)	359	366
Total	4,491	4,888

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

Receipts from Key Management Personnel comprise:

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

Contributions for Fringe Benefits Tax purposes	8	17
Total	8	17

Council's Executive and Management staff have access to enter into a salary sacrificed arrangement for the private use of a motor vehicle. Any Fringe Benefits tax liability that arises for such use is calculated and deducted from their salary to fully offset the Fringe Benefits Tax payable.

Council contains some key management personnel that have relationships with parties that Council may transact with on a regular basis. Relationships include: Animal Welfare League, Ardtornish Primary School, Australian Labor Party, Australian Local Government Women's Association SA Branch, Australian Scholarship Group, Banksia Park International High School Governing Council, Change Management Institute of SA, City of Adelaide Lions Club, City of Campbelltown, Comedy Capers Gang Show, Community Centres SA, Computer Site Solutions, Dernancourt Community Garden Inc., Elizabeth and Districts Junior Soccer Association Inc., Every Life Matters Salisbury Suicide Prevention Network, Field Consulting Services, Golden Grove High School Governing Council, Golden Grove Homestead Children’s Centre, Golden Grove Recreation and Arts Advisory Group, Greater Adelaide Region of Councils, Highbury Primary School, Hope Valley Football Club and Hope Valley Cricket Club, International Business Analysis Australia, Justice of Peace for State of SA, LGA Procurement, Liberal Party of Australia (Various Branches), Lions Club City of Adelaide Inc., Local Government Association of South Australia, Military Wives Choir, Modbury Bowls Club, Modbury High School, Modbury Meals on Wheels, Modbury Sporting Club, Modbury Vista Soccer Club, Murray Darling Association, Neighbourhood Watch (Various Branches), North East Zodiac Netball Club, Northside Baptist Church, Pedare Christian College, Percy Sovereign Chapter, Progressive Left Unions and Sub-Branches, Royal Agricutural & Horticultural Society of SA, Royal Association of Justices, Salisbury Rotary Club, Sferas Park Suites and Convention Centre, Soul Origin, South Australian Districts Netball Association, South Australian Labor Party, St Francis Xavier Catholic School, Tea Tree Gully City Soccer Club, Tea Tree Gully Community Services Forum, Tea Tree Gully Gymsports Inc., Tea Tree Gully RSL, Tea Tree Gully Urban Trees Fund, The Executive Connection, Wynn Vale Community House Kindergarten, Wynn Vale Primary School.

The nature of these organisation's activities with Council typically include the provision of services to Council, and lease property from Council; they may also be the recipient of grants from Council. Transactions with these organisations are immaterial in amount and nature, with the exception of:

Local Government Association: $154,027 (Funds Paid)
Local Government Association: $42,990 (Funds Received)
Local Government Association Mutual Liability Scheme: $637,437 (Funds Paid)
Local Government Workers Compensation Scheme: $1,890,296 (Funds Paid)
South Australian District Netball Association: $47,263 (Funds Received)

continued on next page ...

Note 22. Related Party Transactions (continued)

Sfera's Parks Suites and Convention Centre: $35,798 (Funds Paid)
Sfera's Parks Suites and Convention Centre: $25,057 (Funds Received)

Key management personnel and their close family members may either have an employment relationship or committee role with these organisations and/or access their services. All matters when addressed by Council staff are covered by Council's conflict-of-interest procedures.

Note 23. Retrospective Adjustment due to Change in Accounting Policy

During the financial year ended 30 June 2022, Council voluntarily changed its accounting policy for Library Books. Previously, Council had capitalised library books and performed an annual revaluation of the library books. The Council now account for the purchase of library books via expensing these costs through the Statement of Comprehensive Income. The Council judges that this policy provides reliable and more relevant information due to the nature of this expenditure.

The change in accounting policy has been accounted for retrospectively, and the comparative information for the financial year ended 30 June 2021 has been restated. The effect of the change is an increase of $135,000 in the Net Surplus / (Deficit) and a reduction of $51,000 in Total Comprehensive Income for the financial year ended 30 June 2021. Furthermore, the opening Accumulated Surplus for the financial year ended 30 June 2021, has been reduced by $221,000, which is the amount of the adjustment relating to periods before the financial year ended 30 June 2021.

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INDEPENDENT AUDITOR'S REPORT
TO THE PRINCIPAL MEMBER OF CITY OF TEA TREE GULLY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Tea Tree Gully (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2022, and its financial performance and its cash flows for the year ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

Council's Responsibility for the Financial Report

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

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 16 September 2022

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INDEPENDENT ASSURANCE REPORT
ON THE INTERNAL CONTROLS OF THE CITY OF TEA TREE GULLY

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Tea Tree Gully ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2021 to 30 June 2022 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

(a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
(b) The controls operated effectively as designed throughout the period from 1 July 2021 to 30 June 2022.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's responsibilities for the internal controls

The Council is responsible for:

a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
b) Identifying the control objectives
c) Identifying the risks that threaten achievement of the control objectives
d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
e) Operating effectively the controls as designed throughout the period.

Our independence and quality control

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

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

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

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

BDO

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 16 September 2022

City of Tea Tree Gully

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Tea Tree Gully for the year ended 30 June 2022, the Council's Auditor, BDO Audit Pty Ltd 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.*

Ryan McMahon
Chief Excutive Officer

Peter Field
Presiding Member Audit Committee

Date: 7 September 2022

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Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of City of Tea Tree Gully for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 16 September 2022

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CITY OF
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