



# District Council of Elliston

# Annual Report 2014/2015

## Vision:

*A viable, cohesive, dynamic community,  
which supports expanding economic  
opportunities in a sustainable manner,  
without compromising the natural assets  
or quality of the lifestyle of the  
community.*



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## INTRODUCTION

This Annual Report fulfils Council's legislative requirements, but more importantly, allows Council to inform the community of its operations, activities and achievements for the year under review.

This Annual Report details the performance and achievements for the 2014/15 year and is intended to fulfill Council's desire to be accountable for its outcomes.

In addition, this Annual Report is a historical record for future reference.

The Annual Report offers the reader the opportunity to step back and see the 'big picture' view of how Council is responding to the challenges of a remote rural area.

It also reflects our strong commitment to maintain the highest standards of good governance and to participate in reviews and benchmark projects for the purposes of the continual monitoring of Council's own financial and operational performance.

Each year, Council undertakes many initiatives to help improve the quality of life for its almost 1,200 residents. Much of our effort is focused on the immediate needs of our community. This Annual Report is made available to keep you better informed and we hope you find it useful, informative and reflective of the dynamic nature of our amazing District.

## THE AREA IN FOCUS

The District Council of Elliston is located on the western side of the Eyre Peninsula. The area is known for its rugged coastline and dramatic diversity and is enjoyed by many for recreational fishing, camping, surfing, and walking. It covers an area of 669,300 hectares and is approximately 700 kilometres from Adelaide.

Within the district there are two main townships, Elliston and Lock. In addition there are six smaller townships, Port Kenny, Venus Bay, Bramfield, Sheringa, Tooligie and Murdinga. The Council Office is located at Elliston, and Depot Operations are situated in both Elliston and Lock.

The economy of the District is based upon primary production, fishing and tourism.

Primary production consists of mainly cereal grain (wheat, barley, canola, pulses and oats), meat and wool. In addition to grain, meat and wool production, the extensive coastline is productive fishing ground, supporting recreational fishing, tourism and considerable aquaculture industries, with Anxious Bay delivering Abalone and Crayfish exported from the Eyre Peninsula.

The Council has a total of 1295 rateable properties and approximately 1,146km of unsealed roads.

## CHAIRMAN'S REPORT

The 2014/2015 Financial Year was characterised with both challenges and progress for our Council.

The year commenced with the Council's then Chief Executive Officer, Rob Foster, taking extended leave from his position as CEO due to personal reasons. Rob ultimately resigned in January 2015, and Council appointed Phil Cameron as its new CEO in April 2015

I wish to place on the record my appreciation and the thanks of Council, and our community, for the work Rob did in his time with Council. Rob's leadership was transformational, and during his time with us a great deal of work was done identifying the deficiencies on our operations, setting directions for the future and implementing many of the necessary changes.

Council's former Chairman, Patrick Clark, resigned from his Chairmanship and position on Council in July 2014. I was honoured to be appointed Chairman following his resignation. On behalf of Council, I thank Mr. Clark for his contribution to Council.

Along with all South Australian Councils, the District Council of Elliston held its General Election in November 2014. 11 candidates nominated for the eight (8) Area Councillor positions available. Over 55%, or 419 of Council's 750 electors, voted in the Council Election, which illustrates the level of engagement our community has with Council issues.

Cr Gary White retired at the Election, and I thank him for his service to Council. Council welcomed three (3) newly-elected members, and they have settled into their roles well.

Elliston was honoured to host the Minister for Local Government, the Hon. Geoff Brock MP, who is also the Minister for Region Development. The Minister was entertained for a dinner with business and the community representatives from across the District invited to share their thoughts.

Council continued to improve the efficiency in its internal operations, following the comprehensive independent review in July 2013 by UHY Haines Norton that identified a wide-range of planning, financial, operational and administrative issues that had been neglected in recent years. Action continues to priorities and address those issues as well as other issues that inevitably arise from the review and implementation of new systems. In the 2014/2015 Financial Year, Council:

- Continued to implement the financial and administrative reforms recommended by the UHY Haines Norton Report (July 2013);
- Following a comprehensive needs analysis and tender, Council contracted for, and had installed new ICT hardware, telephony equipment, software and established hardware and software maintenance agreements. The implementation of the new system continues;

- Completed a review of Council's waste management contract and entered into a new, short-term contract for the provision of waste services. Council resolved to conduct a full review of the service in this Financial Year;
- Finalised the staff Enterprise Bargaining agreement negotiations;
- Continued to update Council's Asset Management Plan and Long-Term Financial Plan; and,
- Completed minimal building alterations to the Council office, including the upgrade of office security as identified in the UHY Haines Norton Report.

One of the most important elements of Council's Asset Management Plan is Council's road network, and in particular, those parts of the network that are road train routes and are affected by heavy vehicle traffic. Council is in the unenviable position of having the largest road network on the Eyre Peninsula, and the smallest rating base to service essential community infrastructure. Council conducted an initial review aimed at meeting the transport needs of our farming communities throughout the District, and is progressing the Gazettal of appropriate roads as Road Train routes in an orderly fashion. Work continues on this important project.

Council appointed a new Community Development Assessment Panel and Audit Committee. Council received an encouraging number of quality applicants for both Committees, and I would like to thank those who have previously served and those who have agreed to serve.

Other significant achievements over the course of the 2014/2015 Financial Year included:

- The upgrade of the Venus Bay and Elliston playgrounds;
- The identification and distribution of the Elliston TV Fund money to seven (7) Elliston Community groups;
- Extensive consultation over the design of the Elliston Coastal Trail and the adoption by Council of a final design;
- Continuing to advocate for the sealing of the Kyancutta Road, through the Eyre Peninsula LGA and direct to the State and Federal Government. At the time of writing, funds had been committed to both the District Council of Wudinna and our Council to commence the sealing in the 2015-2016 Financial Year;
- Finalised the tender process for, and purchased, Council's new Grader; and,
- Council started the lengthy process of modernising our Development Plan, with the awarding of a contract to a suitably qualified planner, and the completion of a Statement of Intent (Sol) with the Minister for Planning.

Council is expected to deliver services and provide and maintain key infrastructure for benefit of each of the communities across the Council District. Accordingly, the Council will continue to monitor and manage its performance so that it effectively, and equitably, address's the needs of all its communities.

Council will also look to continue exploring how we can better communicate and meaningfully engage with all the communities represented in our District, and how we can better promote our District as a destination of choice for travelers.

This year, we launched a District Council of Elliston Facebook Page, which has proved to be very popular. It is both a low-cost way of Council getting out important news, and it gives anyone who uses Facebook an easy way to send a suggestion or feedback. Please check it out, if you haven't already.

The new Council looks forward to the challenging work ahead and all of us. Elected Members, Officers and staff are committed to improving what we do and continuing to deliver on our commitments to improve communications with residents and ratepayers in the coming year.



Cr Kym Callaghan  
**Chairman**

## THE COUNCIL

### DECISION MAKING STRUCTURE

The Council has adopted the following decision making structure to facilitate good governance and expedite decision making processes having regard to due process:

- Council
- Council Development Assessment Panel
- Council Audit Committee



Rear: Cr Creagh McGlasson, Cr Grant Rumbelow, Cr Peter Hitchcock, Cr Malcolm Hancock.  
Front: Cr John Sheridan, Cr Kym Callaghan (Chairman), Cr Dave Allchurch (Deputy Chairman), Cr Michael Werchiwski

## **STRATEGIC PLAN - MOVING TOWARD 2017**

The Council's key directions are contained in 4 objectives with complimentary goals. Key strategies and responsibility for departmental strategy delivery are also outlined and presented in the Strategic Plan.

The Strategic Plan is the overarching framework for Council's suite of plans and includes the Council's Vision, Mission and our core values.

### **OUR VISION**

A viable, cohesive and dynamic community – supporting economic development in a sustainable manner without compromising the natural assets or our quality lifestyle.

### **OUR MISSION**

As a legislated business, the District Council of Elliston aims to provide leadership, representation, advocacy and prudent management for its communities and visitors, and to work with them to identify asset needs and improve services.

### **OUR CORE VALUES**

The Elected Members and staff of the District Council of Elliston are guided by the following day-to-day principles to create a positive and dynamic organisational culture:

- Good governance
- Ethical behaviour
- Community focus
- Integrity
- Team Focus
- Openness and Accountability
- Responsibility
- Cohesiveness
- Positive Leadership

## BUSINESS PLAN

Council's Annual Business Plan links the key strategies to action statements with targets and outcomes for each Financial Year. At departmental level it is translated into an Annual Plan.

### REVIEWS

Council has reviewed its suite of plans pursuant to Section 122(4) of the *Local Government Act 1999* ensuring alignment with key directions and strategies together with resourcing provisions and legislative compliance.

Above all, Council's plans ensure Council demonstrates it is committed to providing services to the community that are responsive to current and future needs and that the projections and predictions are based on accurate and extensively researched statistical information.

### GOALS

The District Council of the Elliston acknowledges that a balanced, robust and well developed set of objectives will serve the Council and community well.

Focusing on the following four goals, Council has developed a framework for its future strategic management plans.

- Our Economy and Infrastructure - To actively encourage, support and promote opportunities to increase the prosperity and sustainable growth of the community and effectively and efficiently manage and improve our community infrastructure.
- Our Environment - To promote the enjoyment of our natural resources in a prudent and environmentally sustainable manner and ensure that our built environment effectively provides for the long term needs of our communities.
- Our Community Services - To deliver a high standard of essential community services and show leadership in developing positive community spirit.
- Our Leadership and Governance - To provide progressive leadership and good governance which encourages confidence of the community in the Council.

Annually, Council aligns budgets and programs against its key directions and strategies while periodically also reviewing its strategic plan as it continues "Moving Toward 2017". The current Strategic Plan was adopted in early 2012 as a result of comprehensive review.

Council's current suite of Strategic Plans are planned to be reviewed commencing October 2015.

## DEFINING TARGETS AND MEASURING PROGRESS

As part of its strategic management plans Council prepares a budget and works program and an Annual Business Plan to deliver the specific outcomes that will make up and achieve its strategic management objectives.

The annual process of defining targets and measuring progress is an integral part of the Council's Management Plan. By setting specific targets and measuring progress against the wider strategic goals, achievement is measured. These forms of measurement are a clear indication of progress, continuous improvement, program delivery and the performance of the Council as a whole.

## STRATEGIC MANAGEMENT OBJECTIVES, GOALS AND FUNCTIONS

Founded on the vision Council sees for the Elliston District the strategic plan highlights our commitment, desire and capacity to deliver major projects, capital works and services to maintain and enhance the Council area over the next 5 years.

The Strategic Plan reflects Council's commitment to the Elliston community with its four interrelated goals and objectives.

The objectives underpinning these goals are supported by Council's functional service areas, Executive Services, Corporate and Community Services, Infrastructure and Environmental Services. The organisation is structured to deliver the key strategies through these functional service areas.

Copies of Council's Strategic Plan are available online and from the Council office.



## OBJECTIVES, GOALS, FUNCTIONS AND KEY STRATEGIES

The following tables provide an overview of the Objectives, Goals, Functions, Key Strategies and responsibility for strategy delivery.

GOAL	OBJECTIVE	FUNCTION
<b>Our Economy and Infrastructure</b>	<p>We will pursue initiatives to increase tourist visitation to our District to enhance the local economy and spread the word about our beautiful region.</p>	<b>Tourism</b>
	<p>We will develop strategies to position our District to be conducive to a sustainable and growing local business sector.</p>	<b>Economic Development</b> <b>Aged Care</b>
	<p>We will collaborate to develop an integrated transport and road system that provides access for all users.</p>	<b>Infrastructure Management</b> <b>Advocacy</b> <b>Financial Management</b>
	<p>We will pursue and collaborate to secure water and power resources for the future including access to renewable energy and lobby governments to improve access to technology.</p>	<b>Environmental Sustainability</b> <b>Technology</b>
	<p>We will develop and improve our community infrastructure, including sewage and stormwater systems in a staged manner over the period of this Strategic Plan and contingent on available resources.</p>	<b>Storm Water management</b> <b>Community Waste Water Management Systems</b> <b>Community Water Supply</b>

We will maintain all buildings on the Council register and preserve heritage buildings, items and places of interest in a staged manner over the period of this Strategic Plan and contingent on available resources.

**Infrastructure  
Management  
Property  
Management**

**Our  
Environment**

We will develop sustainable plans for the future growth in all our towns and communities.

**Town Planning  
Building and Development**

We will develop a long term waste management strategy which will address recycling, reduced waste to landfill and prudent management of our landfill.

**Waste Management**

We will collaborate to develop environmentally sustainable natural resources.

**Environmental Management**

**Our  
Community  
Services**

We will continue to support health, family support and aged care services and facilities.

**Aged Care**

We will support programs that assist in youth development and leadership and provide opportunities for young people to develop life skills, increase knowledge and build their capacity within the community and provide appropriate ongoing support to schools and childcare centres.

**Youth Activities**

We will deliver and maintain high standard and quality of services.

**Service Review**

We will maintain relationships with community protection stakeholders.

**Communication**

**Our  
Leadership  
and  
Governance**

We will enhance internal processes to ensure high standards of governance.

**Governance Review**

We will ensure we have dedicated competent staff and Elected Members.

**Training Plans**

We will develop and implement a clear and effective plan for the long term operation of Council

**Long Term Plans**

We will ensure that we communicate and engage effectively with our community.

**Community Engagement**

We will provide clear leadership and advocate effectively and strategically on behalf of our community.

**Strategy**



## COMMUNITY BENEFIT FUND & ELLISTON TV FUND

During the 2014/2015 Financial Year, Council allocated funds totaling \$94,920, as detailed below.

### Community Benefit Fund Distribution

Recipient Name	Funds Provision / Purpose	Running Total (\$)
Elliston Golf Club	Purchase of mower	\$5,091
Elliston Area School	Woolshow	\$500
Elliston RSL Memorial Children's Centre	Running costs	\$4,000
Elliston Community Visitor Information Centre	Purchase and installation of notice board	\$5,640
Elliston Men's Shed	Purchase of tools and equipment	\$3,000
Elliston Community Visitor Information Centre	Hall Toilets	\$8,202
Elliston Community Visitor Information Centre	Salmon fishing competition	\$1,000
<b>TOTAL</b>		<b>\$27,433</b>

### Elliston TV Fund Distribution

Recipient Name	Funds Provision / Purpose	Running Total (\$)
Elliston Netball Club	TV Fund distribution	\$9,641
Elliston Men's Shed	TV Fund distribution	\$9,641
Elliston Football Club	TV Fund distribution	\$9,641
Elliston Golf Club	TV Fund distribution	\$9,641
Elliston CWA	TV Fund distribution	\$9,641
Elliston Community Visitor Information Centre	TV Fund distribution	\$9,641
Elliston Sports Centre	TV Fund distribution	\$9,641
<b>TOTAL</b>		<b>\$67,487</b>

# INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

## CAPITAL WORKS PROGRAMME FOR 2014/2015

Description	Total
<b>Projects</b>	
Venus Bay Caravan Park Soakage Pit	\$1,450
Port Kenny Playground	\$6,625
Venus Bay Playground	\$80,202
Elliston Playground	\$28,836
Office modifications	\$48,690
ICT & Telephony Hardware & Software	\$112,700
Elliston Coastal Trail	\$183,362
Stormwater management Plan – Port Kenny	\$14,800
Bramfield Niche Wall	\$15,469
Lock Community Park	\$7,479
<b>Unsealed Roads</b>	
Sieberts Road	\$290,039
Hundred Line Road	\$86, 813
Roberts Road	\$36,315
Zerk Road	\$125,572
<b>Footpaths</b>	
Elliston Paving	\$27,592
Lock Paving	\$28,364
<b>Plant and Machinery</b>	
Grader	\$344,994
4x4 High Rise Ute	\$39,680
Power Pruner	\$1,272
Chainsaw	\$1,484
<b>TOTAL WORKS</b>	<b>\$1,481,738</b>



## INFRASTRUCTURE

The Infrastructure Services Department plans for new infrastructure and manages and maintains Councils existing civil assets including:

- Roads
- Footpaths and Cycle Tracks
- Stormwater
- Recreation and Open Space Assets including Parks, Gardens and Foreshore
- Waste Management
- Waste Water (Community Wastewater Management Schemes)
- Buildings and Property
- Water supply

The department also maintains eight Council Cemeteries and also oversees the development of new residential and commercial subdivisions as well as providing extensive customer service for the community. Infrastructure Services undertakes these duties with field staff, plant and machinery based at Council depots in Elliston and Lock.

Council's internal Construction staff has again been complemented by the use of private Contractors during the course of the year.

Contractors are used for projects such as road construction, storm water drainage, rubble crushing contracts, installation of kerbing, materials supply and specialist activities such as paving and concrete work.

Local Government recognises the need to maintain employees who are trained in current technologies, possess suitable skills/knowledge to undertake the required works and have an understanding of the Elliston Council WHS Management System.

## COUNCIL DEPOTS

Council operates out of two works depots, with Elliston being the principal depot, housing the workshop, primary plant storage and areas for materials storage.

The Lock house's maintenance plant, has a small workshop for the maintenance of signs and small plant. It too has a storage area for materials and the majority of Parks and Gardens equipment.

## WASTE MANAGEMENT

### LANDFILL SITES

Council operates one landfill site at Venus Bay for the receivable of putrescible waste, recyclable material, green waste and hardfill.

Waste transfer stations are located in Elliston and Lock, as well as a bin bank at Bramfield that receive recyclable material, green waste and hard waste. The hard waste is transported to Venus Bay for disposal and recycled materials are sent to a Material Recovery Centre in Adelaide.

## DRUMMUSTER

The District Council of the Elliston has an ongoing drumMUSTER collection. All bookings are to be made by contacting the Council office.

## KERBSIDE COLLECTIONS

Kerbside waste is managed under 1 contract for the collection of putrescibles waste, collection of recyclables.

## KERBSIDE RECYCLING

Council's contractor collects recyclables in 240 litre bins on a fortnightly basis. This material was made up mainly of paper, cardboard, steel, plastics and glass.

## COMMUNITY LAND

Community Land Management Plans have been prepared and contained in a Register of Community Land which is available to the public for inspection.



Pictured: Kobi with his dad, Grader Driver Frank Sampson, Grader Driver William Brooks, John Deere Representative, Council CEO Phil Cameron and Chairman Kym Callaghan upon delivery of Council's new John Deere Grader

## ENVIRONMENTAL SERVICES

### DEVELOPMENT APPLICATIONS 2014/15

During 2014/15 there were twenty-three (23) New Development Applications, twenty-two (22) Approved Development Applications and one refused Development Application.

#### **Of the approved applications:**

- Development Applications (Full Approval) - 21
- Development Application (Planning Only approval) - 1
- Development Applications Refused - 1

#### **The Value of the Approved Applications was:**

- Class 1a (Dwelling only) - \$220,000
  - Class 1a (Dwellings including Class 10a Buildings) - \$691,487
  - Class 10a & 10b Developments only - \$169,920
- TOTAL \$ 1,081,407**

#### **Wastewater Applications:**

- 3 Wastewater Applications were lodged.
- Approved - 3
- Refused - 0

#### **Land Division Applications:**

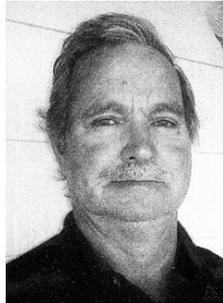
- Lodged Land Divisions – Nil
- Approved – 2 (Applications Lodged in previous Financial Year)
- Refused – 0

Note: there is one Land Division Application outstanding (Lodged in previous Financial year) – the Applicant needs to agree to construct a road for this Land Division and has been supplied a quote from Council. The Applicant is still considering if they will proceed further with this Application.

## ELECTED MEMBERS



**CHAIRMAN**  
Kym Callaghan  
PMB 4  
PT LINCOLN SA  
5670  
Ph. 0418 892 559



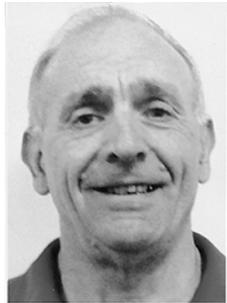
**DEPUTY  
CHAIRMAN**  
Dave Allchurch  
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**COUNCILLOR**  
Peter Hitchcock  
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**COUNCILLOR**  
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ELLISTON SA 5670  
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## ALLOWANCES AND BENEFITS FOR MEMBERS OF COUNCIL

<b>Elected Members Allowance Register</b>			
Classification	1 Councillor	1 Councillor	6 Councillors
Stream	Chairman of	Deputy Chairman	
Annual Allowance	\$22,800	\$7,125	\$5,700
Reimbursements	Mobile Phone Rental Out of Pocket expenses	Out of Pocket expenses	Out of Pocket expenses
	Entitled allowances and reimbursements according to the Elected Members Allowances and Support Policy		

## ALLOWANCES AND BENEFITS FOR COMMITTEE MEMBERS.

Council Development Assessment Panels members receive a sitting fee of \$ 100.00.

<b>Member</b>	<b>Total fees &amp; expenses paid for financial year</b>
Ian Penna	\$ 608.10
Kingsley Holman	\$ 250.00
Bob Pearce	\$ 385.00
Fred Benes	\$ 300.00
Patrick Clark	\$ 300.00

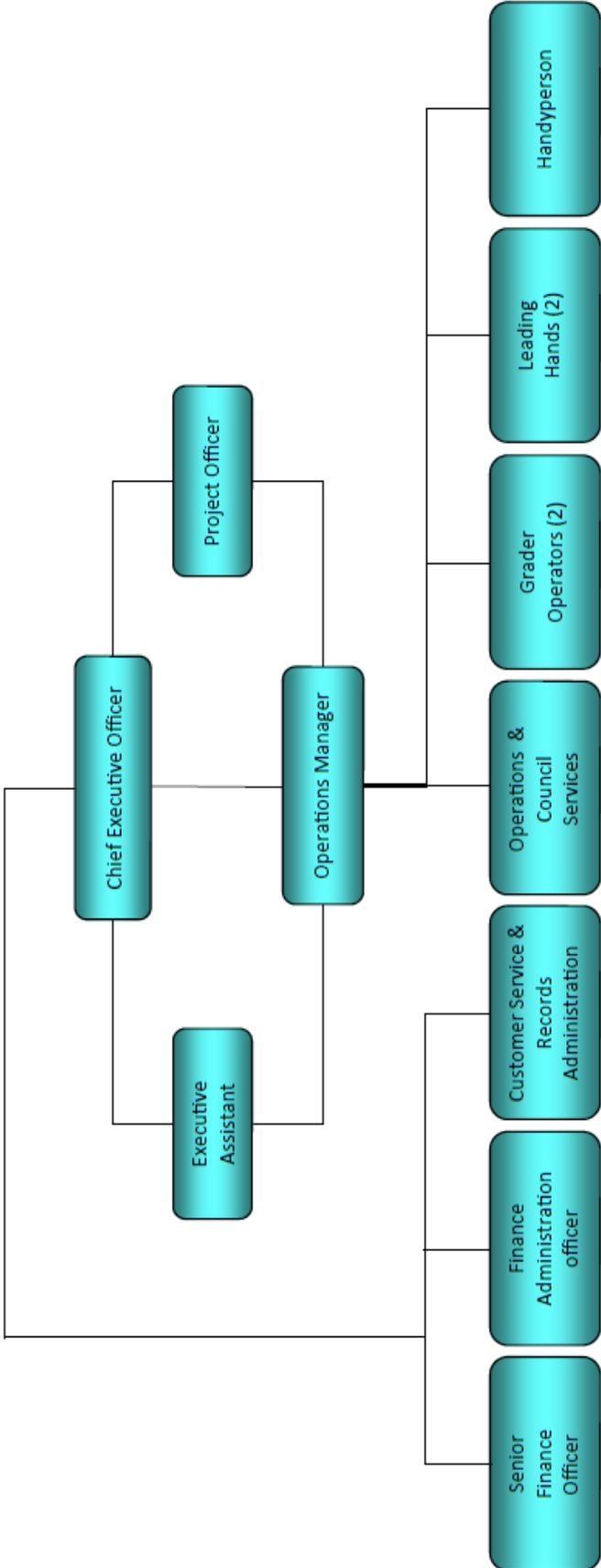
## ELECTED MEMBER TRAINING AND DEVELOPMENT

Training was conducted at the Council Offices and via online training for Elected Members during 2014/15 to reflect a new requirement for mandatory post-election training, including:

- Introduction to Local Government
- Elected Member Legal Responsibilities
- Council and Committee Meeting Procedures
- Financial Management and Reporting

# ORGANISATIONAL STRUCTURE

The District Council of Elliston—Organisational Chart



## MANAGEMENT AND STAFFING

### SENIOR EXECUTIVE OFFICERS

At the beginning of the financial year, the District Council's organisational structure provided for a Chief Executive Officer and a General Manager. The General Manager had a salary package of approximately \$130,000 and the Chief Executive Officer has a salary package of approximately \$170,000.

Packages included salary, superannuation and the use of a fully maintained vehicle and subsidised accommodation.

The Register of Remuneration, Allowances and Benefits is available for public inspection.

### STAFFING

As at 30 June 2015 the District Council had a total of 12.5 full time equivalent (FTE) positions. The breakdown of staff numbers by gender, employment type and department is shown in the following table:

District Council of Elliston – Employees:	Male	Female
Senior Executives	2	-
Administrative Services - General	1	2
Infrastructure and Environmental Services	1	-
Finance	-	1.5
<b>Total Office Employees</b>	<b>4</b>	<b>3.5</b>
Construction, Maintenance, Parks, Gardens & Reserves	5	-
<b>TOTAL DEPOT EMPLOYEES</b>	<b>5</b>	<b>-</b>
<b>TOTAL EMPLOYEES</b>	<b>9</b>	<b>3.5</b>

A range of training and refresher courses have been provided to staff including:

- Construction Industry White card
- Workzone Traffic Management
- Microsoft Excel – Levels 1-6
- I-Responda & Bushfire Support
- Managing Section 7 Statements
- CDAP Agenda and Minute Preparation
- Report Writing
- Payroll Administration

Staff have also completed Certificate 3 in Local Government - (Operational Works) & (Planning)

## EQUAL OPPORTUNITY

The District Council of the Elliston is committed to the principle of equal opportunity. In all policies and practices of the Council, there shall be no discrimination relating to gender, age, disability, marital status, parenthood, lawful sexual preference, race, colour, national extraction, social or ethnic origin, religion or political affiliation.

## COUNCIL FINANCIAL RESOURCES

A full audited copy of the General Purpose Financial Reports for the year ended 30 June 2015, pursuant to Section 131 of the *Local Government Act 1999*, is included as part of this report.

Council returned an operating surplus for the 2014/15 financial year of \$194,519.

### OPERATING INCOME

The operating income for Council was derived from various sources and primarily consisted of rate income, government grants and subsidies and other user charges including commercial revenue.

Revenue includes \$2,154,889 in Government grants, subsidies and contributions.

### OPERATING EXPENDITURE

The Operating Expenditure for the financial year was incurred in the following operational areas, Employee Costs, Materials, Contractual Services, Other Expenses and Depreciation.

### CAPITAL EXPENDITURE

Along with Operating Expenditure the Council is committed to maintaining its fixed assets base. Council spent \$1,296,219.00 on new and upgrading assets.

### NON-CURRENT ASSETS

The Non-Current Assets of Council are significant and Land, Buildings and Other Infrastructure is valued at \$37,021,969.

## FINANCIAL SUSTAINABILITY

Note 15 of the General Purpose Financial Report for the financial year ending 30 June 2015 reports on the Key Financial Indicators used to assess Council with regards to its financial sustainability.

The ratios reported have been calculated in accordance with Information Paper 9 – Local Government Financial Indicators which was prepared as part of the Local Government Association financial sustainability program for the Local Government Association of South Australia.

Council has a suite of documents and plans that summarise the future direction of the Council. These plans form part of the Council's overall Strategic Plan and will provide a path forward into the future that guarantees the long term sustainability of the Council. The Strategic Plan is due to be reviewed in 2015/2016

## FINANCIAL CONTROLS

Section 125 of the *Local Government Act 1999* requires Council to have appropriate policies, practices and procedures to ensure that its activities are carried out efficiently and in a manner that safeguards Council's assets and the integrity of its records.

Council utilises LGS software to manage its records including its financial functions, from which budget and actual performance may be reported and analysed. As from 1 July 2015, Council implemented a new and more modern software, SynergySoft, to perform these functions. This was a result of the updating of Council's computer hardware and software systems following the UHY Haines Norton Review of Council's internal operations.

Reviews of the financial information are undertaken on a quarterly basis and presented along with policies, procedures and controls to the Audit Committee prior to consideration by Council. These policies, procedures and the Audit Committee meeting agendas and minutes are available on Council's website.



# STATUTORY INFORMATION

## ANNUAL INFORMATION STATEMENT

Access to Council documents is broadened by 'freedom of information' provisions in the *Freedom of Information Act*.

Although a range of documents are restricted or not accessible, the maximum amount of information is made available to the public wherever possible.

## INFORMATION AVAILABLE FOR INSPECTION

In accordance with the *Local Government Act 1999*, Schedule 4, the following information is available for inspection at the Council Office

### GENERAL DOCUMENTS -

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Agendas and Minutes\*

Annual Business Plan \*

Annual Financial

Reports\* Annual Report\*

Assessment Record

Auditor's Report

Campaign Donation Returns prepared by

Candidates Council By-Laws\*

Strategic Management Plans\*

### REGISTERS –

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Register of Members Allowances and Benefits

Register of By-Laws

Register of Community Land

Register of Delegations

Register of Members'

Interests Register of Public

Roads Register of Staff

Interests

Register of Remuneration, Salaries and

Benefits Voters Roll

## CODES -

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Code of Conduct for Council Members\*

Code of Conduct for Employees\*

Code of Practice for Access to Council and Committee Meetings and Information Policy\*

## POLICIES/PROCEDURES –

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Annual Business Plan and Budget Policy\*

Asset Accounting and Asset Capitalisation Policy\*

Australia Day 2011 – Policy and Nomination Form\*

Authorisation for Weed Control on Road Reserves

Policy\* Caretaker Policy\*

Community Grants Policy\*

Complaints and Grievance Policy\*

Contracts, Tendering and Purchasing Policy\*

Control of Election Signs Policy\*

Council Cars and Light Commercial Vehicles Policy\*

Council Representatives on Outside Bodies\*

Decision Making for Major Items\*

Development of Roads on Reserves Policy\*

Elected Member Allowances and Support Policy\*

Elected Member Training and Development Policy\*

Event Safety Risk Assessment and Event Management Plan\*

Fire Prevention Policy\*

Flag Flying Policy\*

Internal Review of Council Decisions\*

Kangaroo Field Processing Policy\*

Native Vegetation Plan for Roadworks Policy\*

Order Making\*

Outdoor Dining Policy\*

Port Kenny Venus Bay Water Supply\*

Private Works and Plant Hire Policy\*

Project Management\*

Public Consultation Policy\*

Rate Rebate Policy\*

Rating Policy\*

Records Management Policy\*

Road Infrastructure Policy\*

Stormwater Policy – Port Kenny Venus Bay\*

Street Naming Policy\*

Street Planting Policy\*

Supplementary Election Policy\*

Use of Council Resources During Emergencies Policy\*

Vehicles Left on a Public Road\*

Volunteer Policy\*

Waste Collection Policy\*

If members of the public wish to have access to, and view any of these documents, they may enquire at Council's customer service counter.

*Note:       \*available on Council's website*

## **FREEDOM OF INFORMATION STATEMENT**

Where possible we provide information to residents/ratepayers without referral to the provisions of the Freedom of Information Act 1991.

The Freedom of Information Act 1991 ("FOI Act") gives individuals the right to access documents (subject to certain restrictions) that are within the possession of the Council. It also allows for the amendment of documents which contain personal information that is incomplete, incorrect, out of date or misleading.

Many Council documents are available to the public and do not require a Freedom of Information application. These documents include public copies of minutes and agendas (including reports), policies and processes adopted by the Council, strategic management plans, registers and returns, codes of conduct, codes of practice, by-laws, annual report and development applications available for viewing during the public consultation period in accordance with the Development Act 1993.

Many of these documents are listed in this Annual Report in the preceding section under the heading "Statutory Information" and are available on Council's website; however, they can also be inspected or purchased at the principal Council office at 21 Beach Terrace, Elliston SA 5670.

If you wish to make an application for access to a Council document, which is not available publicly, then it will be necessary to complete a Freedom of Information Application and provide the necessary fee as indicated on the application (no fee is required for concession card holders or pensioners but proof of this status is required).

Once a valid application is received, the Freedom of Information Officer is required, usually within 30 days, to:

- Search Council's Records Management systems to establish location of the relevant document(s)
- Physically locate and extract documents from place held
- Examine the document and consult with any person or body who/which has an interest in the document and consider their views for it to be released
- Make a determination as to whether the document can be released
- Notify the applicant of the determination and explain the rights of review and appeal.

Where information is requested under the FOI Act a request form (provided for in the Act) must be completed and forwarded with the required application fee (unless an exemption is granted). FOI request forms are available from the Council office.

We respond to applications as soon as possible, within the statutory 30 days of receipt of a request and application fee or proof of exemption.

In accordance with Section 38(1) of the FOI Act, a person who is aggrieved by a determination made by Council is entitled to a review of the determination.

There were no reviews for this reporting period.

## FREEDOM OF INFORMATION APPLICATIONS (FOI)

Applications made to the District Council under the FOI, containing the information required by the regulations, are reported on as follows:

At the beginning of the Financial Year no FOI applications were in process. Two (2) applications were received during the year 2014/15.

The District Council endeavours to make available information as and when requested, as well as taking appropriate action where records may be in error or require amendment. If necessary, formal requests for 'Freedom of Information' access must be made in writing, accompanied by the prescribed fee and should be addressed to the accredited Freedom of Information Officer as follows:

Chief Executive Officer  
District Council of Elliston,  
PO Box 46  
ELLISTON S.A. 5670

## INTERNAL REVIEW OF COUNCIL DECISIONS – SECTION 270

Council has an Internal Review of Council Decisions Policy pursuant to Section 270 of the *Local Government Act 1999*. It is a requirement for information relating to requests for reviews under this policy to be reported in Council's Annual Report each year.

Council received no applications requesting a review during the 2014/2015 Financial Year.

## **EXCLUSION OF THE PUBLIC FROM MEETINGS**

Section 90(1) of the Act generally provides that a meeting of Council or its committees must be conducted in a place open to the public.

However, Section 90(2) provides that a Council or its committees may order that the public be excluded from attendance at a meeting that it considers necessary and appropriate to enable that meeting to receive, discuss or consider a matter in confidence.

Those matters are specified by Section 90(3) and include, for example, commercial information, legal advice, tenders, etc.

Council chose to invoke Section 90(2) ten times during the year. The following table sets out the:

- Dates of the meeting;
- Type of meeting, that is, whether it was a Council or Council Committee meeting;
- Subject of the Report considered in confidence; and,
- Relevant part, or parts, of Section 90(3) under which the meetings went into confidence.

In addition to the power to go into confidence, Council also has power under Section 91(7) of the Act to keep confidential any documents considered by it when in confidential session.

The following table also specifies the decision of Council to keep documents confidential and the terms of those orders.

Date	Meeting Type	Subject	Relevant Section LG Act	Period to remain in Confidence
16/09/14	Council	Tender Evaluation FRT Unsealed Road Se-sheeting, Rubble Raising, Rubble Crushing & Rubble Carting Tender	90(2) & 90(3)(k)	12 Months
09/12/14	Council	Citizen of the Year Awards Selection	90(2), 90(3)(a) & 90(9)(iv)	26 January 2015
09/12/14	Council	Waste Management Services Audit	90(2), 90(3)(b), (3)(h) & (3)(i)	9 March 2015
09/12/14	Council	Waste Management Review	90(2), 90(3)(b), (3)(h) & (3)(i)	9 March 2015
20/01/15	Council	Tender for Local Government Information and Communication Technology Hardware & Telephony System	90(2), 90(3)(b)(i)(ii), 90(3)(d)(i)(ii) & 90(3)(k)	End of Tender Negotiations
20/01/15	Council	Tender for Local Government Software Systems	90(2), 90(3)(b)(i)(ii), 90(3)(d)(i)(ii) & 90(3)(k)	End of Tender Negotiations
27/01/15	Council	Waste Management Services Audit	90(2), 90(3)(b)(i)(ii), 90(3)(d)(i)(ii) & (3)(i)	9 December 2015
02/04/15	CEO Selection Committee	Minutes	90(2), 90(3)(b)(i)(ii), 90(3)(d)(i)(ii) & 90(3)(k)	2 February 2016
02/04/15	CEO Selection Panel	Consideration of Report from Ms Trudy Dickson, Davies Stewart, of preferred candidate for CEO and determining recommendation to Council of preferred candidate	90(2) & 90(3)(a)	2 February 2016
07/04/15	Special Council Meeting	Report from CEO Selection Panel	90(2) & 90(3)(a)	12 Months

#### NATIONAL COMPETITION POLICY

Council has no significant business activities. No complaints have been received alleging any breach of competitive neutrality principles by the Council.

## ELECTORAL REPRESENTATION REVIEWS

Regulation 4(A) of the *Local Government (General) Variation Regulations 2012* came into operation on 10 May 2012. This regulation required councils to conduct a periodic review of their composition and wards as determined by notice published in the SA Government Gazette by the minister for State/Local Government relations.

On 31 May 2012 the Minister for State/Local Government Relations published a notice in the SA Government Gazette requiring the District Council of Elliston to undertake a review of its structure during the period of October 2012 and October 2013 pursuant to section 12 of the *Local Government Act 1999*.

At its Ordinary meeting on 20 April 2013, Council resolved to amend the Council name from The District Council of Elliston to District Council of Elliston. It made no other changes to Councils composition.

## ELECTORAL REPRESENTATION QUOTA

Council	Representation Ratio	Voters Roll	No. Of Reps.
Elliston	1:93	750	8
Wudinna	1:129	904	7
Kimba	1:113	791	7
Cleve	1:161	1291	8
Franklin Harbour	1:156	938	6
Streaky Bay	1:189	1516	8

THE ABOVE INFORMATION, COMPARING COUNCILS CLASSIFIED AS RURAL AGRICULTURAL SMALL HAVE BEEN PROVIDED BY THE ELECTORALCOMMISSIONSA VIA THE LOCAL GOVERNMENT ASSOCIATION AS AT 28 FEBRUARY 2015.

## ELECTIONS

Elections are held at four yearly intervals, with all positions being declared vacant. Voting is voluntary and not compulsory as is the case with Commonwealth and State Government elections.

## BOUNDARY REVIEW

Procedures are available for electors to initiate submissions seeking boundary alterations and alterations to the composition of the Council or its representative structure.

Public notice of the impending review is given, inviting interested persons to make written submissions to the Council on the subject of the review. Persons making submissions are also given the opportunity to appear personally before Council to be heard further. On completion of the review process, the District Council's report is made available for public inspection, with further public submission opportunity and personal hearing being also made available.

# CORPORATE AND COMMUNITY SERVICES

## GENERAL

2014/15 saw the Corporate and Community Services sector of Council move forward with projects started in previous Financial Years and the commencement of new projects that will benefit the community as a whole.

The following report gives a breakdown of some of the work undertaken within the corporate and community services sector in 2014/15.

## INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology is a key component in Council's ability to process information and deliver communication with the broader community.

Following the independent review into Council's internal systems and operations by UHY Haines Norton in July 2013, significant deficiencies were identified in Council's ICT systems.

The Council undertook an extensive process to identify present and future ICT needs that culminated in an open tender for replacement of all ICT hardware and the purchase of modern software across all Council operations.

The deployment of the hardware was completed in the final quarter of the Financial Year, and deployment of the software is now complete in Council's finance operations, with the new finance system going live on 1 July 2015.

At the time of writing, the Customer Service and Records Management modules are being deployed with staff training, and the development of new procedures.

Council is committed to continue to broaden staff knowledge and expertise through ICT training programs aimed to improve service productivity and functionality to better serve the Elliston community.

## RECORDS MANAGEMENT

Records Management encompasses the care and control of records from their receipt or creation to either ultimate destruction or retention as an archive.

Records are a vital aspect of Council business. The ability to effectively manage and maintain them has become an important function of Council in order to ensure all records can meet any legal, evidential, fiscal, accountability and legislative requirements. Service efficiencies in records management can also save considerable staff time and resources by allowing easy access to important information.

An ongoing records management project has been undertaken by Council over the past two (2) Financial Years, including the appointment and training of staff members in Local Government records management practices. Combined with the new electronic Records Management system, Council is confident that substantial improvements will continue to be made in Council's record keeping practices and will assist Council to reach compliance with the *State Records Act 1997* and various standards and guidelines issued by State Records.

# **RISK & WORK HEALTH SAFETY REPORT 2014/2015**

## **WORK HEALTH SAFETY**

Work Health Safety along with Risk Management is a vital component in Council's ability to provide a safe work environment for its employees and a safe community for its residents and visitors.

Council continues to ensure it maintains a high standard in the area of WHS and also Risk Management. This is reviewed annually and monitored by Local Government Association schemes by way of auditing Council's performance and providing feedback to Council in such areas as contractor management, training and accident or incidents both internally and in the community.

## **PUBLIC SAFETY**

The District Council of the Elliston is committed to providing for its residents and visitors to the Elliston area a safe environment. This is done via consultation with the Community, feedback provided to Council via Customer requests and complaints forms from the public.

## **COUNCIL STAFF SAFETY**

Council regards its staff as its greatest asset and continues to strive to provide better knowledge and support in matters of health and risk.

Council conducts regular health assessment check for its employees which includes heart health, health lifestyle options and also skin cancer screening. This is done so Council can try to provide their staff with a better quality of life both at work and at home and to identify any health concerns employees may have so they can source treatment if required.

Council encourages its staff to report hazards and any accidents or incidents so it can try to eliminate these and improve the working environment for its employees.

Training of staff is also an integral part of WHS and risk management and ensures our staff has a better understanding of their responsibilities to themselves and their workers.

Council will continue to explore options to increase the level of knowledge of its employees and to continually strive to improve WHS and risk management in all areas.

**ATTACHMENT 1: GENERAL PURPOSE  
FINANCIAL REPORTS FOR THE YEAR ENDED  
30 JUNE 2015**

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**DISTRICT COUNCIL OF ELLISTON**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2015**

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## DISTRICT COUNCIL OF ELLISTON

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

#### 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 2015 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.



.....  
Phil Cameron  
CHIEF EXECUTIVE OFFICER



.....  
Kym Callaghan  
CHAIRMAN

Date: 3 November 2015

**DISTRICT COUNCIL OF ELLISTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Rates	2	2,057,606	2,022,392
Statutory charges	2	15,935	22,679
User charges	2	74,003	72,595
Grants, subsidies and contributions	2	2,046,551	1,024,555
Investment income	2	73,220	84,028
Reimbursements	2	24,959	116,449
Other income	2	31,756	32,151
<b>Total Income</b>		<u>4,324,030</u>	<u>3,374,849</u>
<b>EXPENSES</b>			
Employee costs	3	1,111,558	1,023,345
Materials, contracts & other expenses	3	1,904,015	1,901,028
Depreciation, amortisation & impairment	3	1,113,938	1,119,940
<b>Total Expenses</b>		<u>4,129,512</u>	<u>4,044,313</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		194,519	(669,464)
Asset disposal & fair value adjustments	4	(9,533)	7,384
Amounts received specifically for new or upgraded assets	2	108,338	74,983
<b>NET SURPLUS / (DEFICIT)</b>		<u>293,324</u>	<u>(587,097)</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Impairment (expense) / recoupments offset to asset revaluation reserve	9	-	(404,248)
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>(404,248)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>293,324</u>	<u>(991,345)</u>

This Statement is to be read in conjunction with the attached Notes.

**DISTRICT COUNCIL OF ELLISTON**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,677,361	2,790,653
Trade & other receivables	5	284,995	225,993
Inventories	5	11,247	14,244
<b>Total Current Assets</b>		<u>2,973,603</u>	<u>3,030,890</u>
<b>Non-current Assets</b>			
Financial assets	6	10,338	17,092
Infrastructure, property, plant & equipment	7	37,021,969	36,763,710
<b>Total Non-current Assets</b>		<u>37,032,307</u>	<u>36,780,802</u>
<b>Total Assets</b>		<u>40,005,910</u>	<u>39,811,692</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	149,551	269,113
Provisions	8	105,256	88,272
<b>Total Current Liabilities</b>		<u>254,807</u>	<u>357,385</u>
<b>Non-current Liabilities</b>			
Provisions	8	6,070	2,598
<b>Total Non-current Liabilities</b>		<u>6,070</u>	<u>2,598</u>
<b>Total Liabilities</b>		<u>260,877</u>	<u>359,983</u>
<b>NET ASSETS</b>		<u>39,745,033</u>	<u>39,451,709</u>
<b>EQUITY</b>			
Accumulated Surplus		7,338,548	7,045,224
Asset Revaluation Reserves	9	31,545,276	31,545,276
Other Reserves	9	861,209	861,209
<b>TOTAL EQUITY</b>		<u>39,745,033</u>	<u>39,451,709</u>

This Statement is to be read in conjunction with the attached Notes.

**DISTRICT COUNCIL OF ELLISTON**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2015

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2015	\$	\$	\$	\$
Balance at end of previous reporting period	7,045,224	31,545,276	861,209	39,451,709
Restated opening balance	7,045,224	31,545,276	861,209	39,451,709
<b>Net Surplus / (Deficit) for Year</b>	<b>293,324</b>	<b>-</b>	<b>-</b>	<b>293,324</b>
<b>Balance at end of period</b>	<b>7,338,548</b>	<b>31,545,276</b>	<b>861,209</b>	<b>39,745,033</b>
<b>2014</b>				
Balance at end of previous reporting period	7,656,401	31,949,524	837,129	40,443,054
Restated opening balance	7,656,401	31,949,524	837,129	40,443,054
<b>Net Surplus / (Deficit) for Year</b>	<b>(587,097)</b>	<b>-</b>	<b>-</b>	<b>(587,097)</b>
<b>Other Comprehensive Income</b>				
Impairment (expense) / recoupments offset to asset revaluation reserve	-	(404,248)	-	(404,248)
Transfers between reserves	(24,080)	-	24,080	-
<b>Balance at end of period</b>	<b>7,045,224</b>	<b>31,545,276</b>	<b>861,209</b>	<b>39,451,709</b>

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

**DISTRICT COUNCIL OF ELLISTON**  
**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		2,029,984	2,006,615
Fees & other charges		16,732	24,481
User charges		86,697	47,763
Investment receipts		77,399	89,424
Grants utilised for operating purposes		2,052,541	948,737
Reimbursements		26,207	128,094
Other revenues		253,320	299,542
<u>Payments</u>			
Employee costs		(1,088,615)	(1,011,979)
Materials, contracts & other expenses		<u>(2,300,717)</u>	<u>(2,228,849)</u>
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>1,153,548</b>	<b>303,828</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		108,338	74,983
Sale of replaced assets		97,851	30,111
Repayments of loans by community groups		6,552	6,353
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,296,219)	(1,081,921)
Expenditure on new/upgraded assets		<u>(183,362)</u>	<u>(24,000)</u>
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,266,840)</b>	<b>(994,474)</b>
 <b>Net Increase (Decrease) in cash held</b>		 <u>(113,292)</u>	 <u>(690,646)</u>
Cash & cash equivalents at beginning of period	11	<u>2,790,653</u>	<u>3,481,299</u>
<b>Cash &amp; cash equivalents at end of period</b>	11	<b><u>2,677,361</u></b>	<b><u>2,790,653</u></b>

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

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

**1 Basis of Preparation**

**1.1 Compliance with Australian Accounting Standards**

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

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

**1.2 Historical Cost Convention**

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

**1.3 Critical Accounting Estimates**

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

**1.4 Rounding**

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

**2 The Local Government Reporting Entity**

District Council of Elliston is incorporated under the SA Local Government Act 1999 and has its principal place of business at 21 Beach Terrace Elliston.

**3 Income recognition**

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

The Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2015, two quarters of the 2015/16 allocation: \$602,587 was paid in advance. Accordingly, the operating results of these periods were distorted compared to those that would have been reported had the grants been paid in a consistent manner.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**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. 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 first in first out costing method.

**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.

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

**6.2 Materiality**

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

**6.3 Subsequent Recognition**

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

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

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

**6.5 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. 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 outflows or value in use).

For 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

**7 Payables**

**7.1 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 Employee Benefits**

**8.1 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 on-costs) measured in accordance with AASB 119.

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

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

**8.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

**9 Leases**

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**10 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.

**11 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 2 - INCOME**

	Notes	2015 \$	2014 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		1,746,390	1,714,093
Less: Mandatory rebates		(16,969)	(17,769)
Less: Discretionary rebates, remissions & write offs		(21,458)	(20,536)
		<u>1,707,963</u>	<u>1,675,788</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		64,944	63,005
Waste collection		228,674	224,448
Water supply		7,904	6,589
Community wastewater management systems		34,402	33,681
		<u>335,924</u>	<u>327,723</u>
<u>Other Charges</u>			
Penalties for late payment		13,719	18,881
		<u>13,719</u>	<u>18,881</u>
		<u>2,057,606</u>	<u>2,022,392</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		6,206	7,766
Town planning fees		2,374	5,960
Health & Septic Tank Inspection fees		-	479
Animal registration fees & fines		5,362	4,825
Search fees		1,992	1,682
Other licences, fees, & fines		-	1,967
		<u>15,935</u>	<u>22,679</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		2,564	1,140
House rental		7,800	7,650
Caravan income		30,291	29,337
Camping fees		15,293	15,681
Water		8,645	12,384
Waste		1,710	5,595
Licence income		514	576
Sundry		7,186	232
		<u>74,003</u>	<u>72,595</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		72,204	82,757
Banks & other		1,016	1,271
		<u>73,220</u>	<u>84,028</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**NOTE 2 - INCOME (continued)**

	2015	2014
	\$	\$
<b>REIMBURSEMENTS</b>		
- for private works	5,842	10,801
- other	19,117	105,648
	<u>24,959</u>	<u>116,449</u>
<b>OTHER INCOME</b>		
Rebates received	31,625	17,287
Sundry	131	14,864
	<u>31,756</u>	<u>32,151</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts received specifically for new or upgraded assets	108,338	74,983
Other grants, subsidies and contributions	2,046,551	1,024,555
	<u>2,154,889</u>	<u>1,099,538</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
Commonwealth government	293,080	297,669
State government	1,753,471	801,869
Other	108,338	-
	<u>2,154,889</u>	<u>1,099,538</u>

**Individually Significant Item**

On 30 June 2015 the Federal Government paid 50% of Councils' 2015-16 Financial Assistance grant revenue to Council. The accounting standards require this to be reported as income in the year it is received ie 2014-15. It needs to be noted that the expenditure that relates to this early payment will be reported in 2015-16. Should 50% of the 2016-17 Financial Assistance Grant not be paid in advance then the result will be an understatement of revenue amounting to \$602,587 in the 2015-16 year.

	602,587	-
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**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 3 - EXPENSES**

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		888,129	908,845
Employee leave expense		96,395	32,280
Superannuation - defined contribution plan contributions	18	71,483	83,329
Superannuation - defined benefit plan contributions	18	20,892	-
Workers' Compensation Insurance		88,138	51,716
Less: Capitalised and distributed costs		<u>(53,480)</u>	<u>(52,825)</u>
<b>Total Operating Employee Costs</b>		<b><u>1,111,558</u></b>	<b><u>1,023,345</u></b>
 <b>Total Number of Employees</b>		<b>13</b>	<b>13</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		10,096	11,000
Elected members' expenses		69,609	83,167
Election expenses		3,768	4,422
Operating Lease Rentals - non-cancellable leases	17	<u>1,468</u>	<u>-</u>
Subtotal - Prescribed Expenses		<b><u>84,941</u></b>	<b><u>98,589</u></b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		1,814,970	1,898,525
Registration and insurance		201,335	162,610
Electricity		43,607	53,454
Travel		17,011	7,385
Telephone		14,162	13,658
Legal expenses		27,706	107,791
Levies paid to government - NRM levy		65,089	61,033
- Other Levies		16,449	18,274
Materials		812,006	319,157
Water		15,869	13,339
Advertising		12,192	9,929
Sundry		219,583	263,557
Less: Capitalised and distributed costs		<u>(1,440,904)</u>	<u>(1,126,273)</u>
Subtotal - Other Materials, Contracts & Expenses		<b><u>1,819,074</u></b>	<b><u>1,802,439</u></b>
		<b><u>1,904,015</u></b>	<b><u>1,901,028</u></b>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 3 - EXPENSES (cont)**

	Notes	2015 \$	2014 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		120,736	120,736
Road Infrastructure		784,412	784,412
Other Infrastructure		31,965	31,508
Plant & Equipment		135,148	138,676
Furniture & Fittings		18,659	22,190
Other Assets		23,018	22,418
<b>Impairment</b>			
Infrastructure - Roads		-	404,248
		<u>1,113,938</u>	<u>1,524,188</u>
Less: Impairment expense offset to asset revaluation	9	-	(404,248)
		<u>1,113,938</u>	<u>1,119,940</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS**

	2015	2014
	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	97,851	30,111
Less: Carrying amount of assets sold	<u>107,384</u>	<u>22,727</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<u>(9,533)</u>	<u>7,384</u>

**Note 5 - CURRENT ASSETS**

	2015	2014
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	98,855	110,946
Deposits at Call	<u>2,578,506</u>	<u>2,679,707</u>
	<u>2,677,361</u>	<u>2,790,653</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	162,232	134,610
Accrued Revenues	13,445	17,624
Debtors - general	35,332	44,326
GST Input Credit	67,232	22,881
Loans to community organisations	<u>6,754</u>	<u>6,552</u>
	<u>284,995</u>	<u>225,993</u>
<b>INVENTORIES</b>		
Stores & Materials	<u>11,247</u>	<u>14,244</u>
	<u>11,247</u>	<u>14,244</u>

**Note 6 - NON-CURRENT ASSETS**

	2015	2014
	\$	\$
<b>FINANCIAL ASSETS</b>		
Receivables		
Loans to community organisations	<u>10,338</u>	<u>17,092</u>
<b>TOTAL FINANCIAL ASSETS</b>	<u>10,338</u>	<u>17,092</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	Fair Value Level	2014				2015			
		AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	2	10,402,209	-	-	10,402,209	-	-	10,402,209	10,402,209
Buildings & Other Structures	2	5,632,030	186,848	(3,810,941)	2,007,937	5,841,826	(3,931,677)	1,910,149	1,910,149
Road Infrastructure	3	30,184,655	2,201,666	(10,086,435)	22,299,886	33,283,360	(10,870,845)	22,412,515	22,412,515
Other Infrastructure	3	-	984,745	(334,457)	650,288	986,407	(366,421)	619,986	619,986
Plant & Equipment	na	-	1,740,407	(1,150,243)	590,164	1,820,914	(1,085,852)	735,062	735,062
Furniture & Fittings	na	-	201,956	(153,366)	48,590	371,006	(172,026)	198,980	198,980
Other Assets	3	62,650	1,039,862	(337,876)	764,636	1,103,963	(360,895)	743,068	743,068
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>46,281,544</b>	<b>6,355,484</b>	<b>(15,873,318)</b>	<b>36,763,710</b>	<b>43,407,476</b>	<b>(16,787,716)</b>	<b>37,021,969</b>	<b>37,021,969</b>
		<b>47,150,765</b>	<b>5,228,383</b>	<b>(15,248,072)</b>	<b>37,131,076</b>	<b>46,281,544</b>	<b>(15,873,318)</b>	<b>36,763,710</b>	<b>36,763,710</b>

*Comparatives*

*This Note continues on the following pages.*

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	CARRYING AMOUNT MOVEMENTS DURING YEAR								2015 \$
	\$							Transfers In	
	2014 \$	Additions		Disposals	Depreciation	Impairment	CARRYING AMOUNT		
CARRYING AMOUNT	New/Upgrade	Renewals	-	-	-	-	-	-	
Land	10,402,209	-	-	-	-	-	-	-	10,402,209
Buildings & Other Structures	2,007,937	-	22,948	-	(120,736)	-	-	-	1,910,149
Road Infrastructure	22,299,886	183,362	713,682	-	(784,412)	-	-	-	22,412,518
Other Infrastructure	650,288	-	1,663	-	(31,965)	-	-	-	619,986
Plant & Equipment	590,164	-	387,430	(107,384)	(135,148)	-	-	-	735,062
Furniture & Fittings	48,590	-	169,049	-	(18,659)	-	-	-	198,980
Other Assets	764,636	-	1,450	-	(23,018)	-	-	-	743,068
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>36,763,710</b>	<b>183,362</b>	<b>1,296,222</b>	<b>(107,384)</b>	<b>(1,113,938)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,021,972</b>
<i>Comparatives</i>	<i>37,131,076</i>	<i>24,000</i>	<i>1,155,549</i>	<i>(22,727)</i>	<i>(304,020)</i>	<i>(404,248)</i>	<i>(815,920)</i>	<i>(815,920)</i>	<i>36,763,710</i>

This Note continues on the following pages.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**Valuation of Assets**

**General Valuation Principles**

*Accounting procedure:* 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, fair value is taken to be the current replacement cost.

*Highest and best use:* For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the *Local Government Act 1999*. Other types of restrictions also exist.

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

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

*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 these assets and they 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.

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment <sup>17</sup>	\$1,000
Buildings - new construction/extensions	\$2,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$5,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$2,000
Reticulation extensions	\$2,000
Sidelines & household connections	\$2,000
Artworks	\$2,000

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

Plant, Furniture & Equipment

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 7 – Property, Plant & Equipment (cont)**

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
<b>Building &amp; Other Structures</b>	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
<b>Infrastructure</b>	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
<b>Other Assets</b>	
Library Books	10 to 15 years
Artworks	indefinite

**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. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

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

**Buildings & Other Structures**

Buildings and other structures were revalued as at 30 June 2015 by an independent valuer, Liquid Pacific.

**Infrastructure**

Transportation assets were valued by Council at fair value based on a revaluation of Council's sealed, unsealed, pavement, footpath and kerb assets at 1 July 2015 by an independent valuer, Tonkin Consulting. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by an independent valuer, Liquid Pacific, as at 30 June 2011 at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by an independent valuer, Liquid Pacific, as at 30 June 2011 at depreciated current replacement costs. All acquisitions made after the respective dates of valuation are recorded at cost.

**Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

**All other assets**

These assets are recognised on the cost basis.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 8 - LIABILITIES**

	2015		2014	
	Current	Non-current	Current	Non-current
	\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	113,724	-	132,408	-
Payments received in advance	-	-	96,338	-
Accrued expenses - employee entitlements	30,327	-	27,840	-
Accrued expenses - other	5,500	-	5,500	-
Other	-	-	7,027	-
	<u>149,551</u>	<u>-</u>	<u>269,113</u>	<u>-</u>
<b>PROVISIONS</b>				
Employee entitlements (including oncosts)	<u>105,256</u>	<u>6,070</u>	<u>88,272</u>	<u>2,598</u>
	<u>105,256</u>	<u>6,070</u>	<u>88,272</u>	<u>2,598</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1/7/2014	Net Increments (Decrements)	Transfers, Impairments	30/6/2015
	\$	\$	\$	\$
Land	9,581,810	-	-	9,581,810
Buildings & Other Structures	2,305,170	-	-	2,305,170
Road Infrastructure	19,568,269	-	-	19,568,269
Other Assets	90,027	-	-	90,027
<b>TOTAL</b>	<b>31,545,276</b>	<b>-</b>	<b>-</b>	<b>31,545,276</b>
<i>Comparatives</i>	<i>31,949,524</i>	<i>-</i>	<i>(404,248)</i>	<i>31,545,276</i>

<b>OTHER RESERVES</b>	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
Plant & Machinery Replacement	355,325	-	-	355,325
Infrastructure Replacement	67,365	-	-	67,365
Land Development Reserve	39,850	-	-	39,850
Waste Management Reserve	199,299	-	-	199,299
TV Fund	74,435	-	-	74,435
CWMS Reserve	122,963	-	-	122,963
Port Kenny Reserve	1,973	-	-	1,973
<b>TOTAL OTHER RESERVES</b>	<b>861,210</b>	<b>-</b>	<b>-</b>	<b>861,209</b>
<i>Comparatives</i>	<i>837,129</i>	<i>24,080</i>	<i>-</i>	<i>861,209</i>

**PURPOSES OF RESERVES**

**Asset Revaluation Reserve**

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).

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 10 - ASSETS SUBJECT TO RESTRICTIONS**

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

	2015	2014
	\$	\$
<b>CASH &amp; FINANCIAL ASSETS</b>		
Unexpended amounts received from Federal Government	-	93,668
CWMS	126,017	122,963
TV Fund	-	74,435
Port Kenny Water Supply	<u>2,022</u>	<u>1,773</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>	<u>128,039</u>	<u>292,839</u>

**Note 11 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

	Notes	2015	2014
		\$	\$
Total cash & equivalent assets	5	<u>2,677,361</u>	<u>2,790,653</u>
Balances per Cash Flow Statement		<u>2,677,361</u>	<u>2,790,653</u>

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

Net Surplus (Deficit)	293,324	(587,097)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,113,938	1,119,940
Net increase (decrease) in unpaid employee benefits	22,943	11,367
Grants for capital acquisitions treated as Investing Activity	(108,338)	(74,983)
Net (Gain) Loss on Disposals	<u>9,533</u>	<u>(7,384)</u>
	1,331,400	461,843
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(58,800)	(32,663)
Net (increase) decrease in inventories	2,997	(8,640)
Net (increase) decrease in other current assets	-	(116,712)
Net increase (decrease) in trade & other payables	<u>(122,049)</u>	<u>-</u>
<b>Net Cash provided by (or used in) operations</b>	<u>1,153,548</u>	<u>303,828</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2014	2015	2014	2015	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Business Undertakings	121,074	94,487	34,539	33,821	86,535	60,676	-	-	332,942	331,517	
Community Services	15,553	12,139	119,399	116,916	(103,846)	(104,777)	2,000	5,000	377,083	375,469	
Culture	-	-	27,177	26,612	(27,177)	(26,612)	-	-	-	-	
Economic Development	12,813	10,000	50,456	49,407	(37,644)	(39,407)	-	-	17,996	17,919	
Environment	378,635	295,520	438,681	429,557	(60,046)	(134,037)	-	-	25,740	25,630	
Recreation	45,634	35,617	110,613	108,312	(64,978)	(72,695)	-	17,235	477,284	475,251	
Regulatory Services	29,697	23,178	38,053	37,262	(8,357)	(14,084)	2,823	-	-	-	
Transport & Communication	822,982	642,327	1,328,489	1,301,575	(505,507)	(659,248)	905,548	642,288	21,544,271	21,429,053	
Unclassified Activities	648,352	506,030	425,140	416,298	223,211	89,732	-	435,015	527,071	524,815	
Council Administration	2,249,289	1,755,541	1,556,963	1,524,553	692,327	230,988	1,136,180	-	16,703,513	16,632,038	
<b>TOTALS</b>	<b>4,324,030</b>	<b>3,374,849</b>	<b>4,129,512</b>	<b>4,044,313</b>	<b>194,519</b>	<b>(669,464)</b>	<b>2,046,551</b>	<b>1,099,538</b>	<b>40,005,910</b>	<b>39,811,692</b>	

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

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 12 (cont) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**Business Undertakings**

Caravan Parks, Sewerage/CWMS, Water Supply – Domestic, Private Works.

**Community Services**

Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Community Support, Children and Youth Services, community Assistance, Other Community Support, Community Amenities, Cemeteries / Crematoria, Public Conveniences and Other Community Amenities.

**Culture**

Library Services, Heritage and Other Cultural Services.

**Economic Development**

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

**Environment**

Agricultural Services, Other Agricultural Services, Waste Management, Domestic Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

**Recreation**

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

**Regulatory Services**

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

**Transport & Communication**

Aerodrome, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

**Unclassified Activities**

**Council Administration**

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

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 13 - FINANCIAL INSTRUMENTS**

All financial instruments are categorised as *loans and receivables*.

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 2.5% and 3.2% (2014: 3% to 3.6%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b> <b>Note:</b> These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract monthly interest of .66% and quarterly interest of 2% (2014: monthly interest of .7% and quarterly interest of 2%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 13 (cont) - FINANCIAL INSTRUMENTS**

**Liquidity Analysis**

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$
Cash & Equivalents	2,677,361	-	2,677,361	2,677,361
Receivables	110,033	-	110,033	133,101
<b>Total</b>	<b>2,787,394</b>	<b>-</b>	<b>2,787,394</b>	<b>2,810,462</b>
<b><u>Financial Liabilities</u></b>				
Payables	90,629	-	90,629	113,724
<b>Total</b>	<b>90,629</b>	<b>-</b>	<b>90,629</b>	<b>113,724</b>
2014	Due < 1 year	Due > 1 year; ≤ 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$
Cash & Equivalents	2,790,653	-	2,790,653	2,790,653
Receivables	225,993	17,092	243,085	108,475
<b>Total</b>	<b>3,016,646</b>	<b>17,092</b>	<b>3,033,738</b>	<b>2,899,128</b>
<b><u>Financial Liabilities</u></b>				
Payables	235,773	-	235,773	235,773
<b>Total</b>	<b>235,773</b>	<b>-</b>	<b>235,773</b>	<b>235,773</b>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 14 - COMMITMENTS FOR EXPENDITURE**

	2015	2014
	\$	\$
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure commitments in relation to investment properties:		
Audit services	28,000	22,000
Remuneration contracts	<u>493,050</u>	<u>977,602</u>
	<u>521,050</u>	<u>999,602</u>
These expenditures are payable:		
Not later than one year	178,350	301,738
Later than one year and not later than 5 years	342,700	637,239
Later than 5 years	-	60,625
	<u>521,050</u>	<u>999,602</u>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 15 - FINANCIAL INDICATORS**

2015                      2014                      2013

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

**Operating Surplus Ratio**

<u>Operating Surplus</u>	10%	(34%)	20%
Rates - general & other less NRM levy			

*This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.*

**Adjusted Operating Surplus Ratio**

	(20%)	(3%)	20%
--	-------	------	-----

*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. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.*

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	(64%)	(81%)	(83%)
Total Operating Revenue less NRM Levy			

*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.*

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	108%	94%	85%
Depreciation			

*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. Depreciation expense has been used as a proxy, pending finalisation of the Infrastructure and Asset Management Plan.*

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 16 - UNIFORM PRESENTATION OF FINANCES**

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

	2015	2014
	\$	\$
Income	4,324,030	3,374,849
<i>less</i> Expenses	<u>4,129,512</u>	<u>4,044,313</u>
<b>Operating Surplus / (Deficit)</b>	<b>194,519</b>	<b>(669,464)</b>
<b><i>less</i> Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	1,296,219	1,081,921
Depreciation, Amortisation and Impairment	(1,113,938)	(1,119,940)
Proceeds from Sale of Replaced Assets	<u>(97,851)</u>	<u>(30,111)</u>
	84,430	(68,130)
<b><i>less</i> Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	183,362	24,000
Amounts received specifically for New and Upgraded Assets	(108,338)	(74,983)
	<u>75,024</u>	<u>(50,983)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>35,065</u></b>	<b><u>(550,351)</u></b>

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 17 - OPERATING LEASES**

***Lease payment commitments of Council***

Council has entered into non-cancellable operating leases for various items of computer equipment.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2015	2014
	\$	\$
Not later than one year	10,273	-
Later than one year and not later than 5 years	42,561	-
	52,834	-

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 18 – SUPERANNUATION**

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly 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 (9.50% in 2014/15; 9.25% in 2013/14). 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 2013/14) 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 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. 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.

**DISTRICT COUNCIL OF ELLISTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET**

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

**1. LAND UNDER ROADS**

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

At reporting date, Council controlled 2,485 km of road reserves of average width 20 metres.

**2. POTENTIAL INSURANCE LOSSES**

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", 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.

## **Independent Audit Report to the Members of the District Council of Elliston**

We have audited the accompanying financial report of the District Council of Elliston which comprises the statement of financial position, the statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2015.

### **Chief Executive Officer's Responsibility for the Financial Report**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting the audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

### **Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Elliston as of 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.



**Ian G McDonald FCA**  
**Chartered Accountant**  
**Registered Company Auditor 16458**

Liability limited by a scheme approved under Professional Standards Legislation

Signed this 3<sup>rd</sup> day of November 2015 at Adelaide, South Australia

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**DISTRICT COUNCIL OF ELLISTON**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Elliston for the year ended 30 June 2015, the Council's Auditor, Ian McDonald, 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*.

  
.....  
Phil Cameron  
**CHIEF EXECUTIVE OFFICER**

  
.....  
Phil Channon  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 27/10/15

**District Council of Elliston**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2015**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of the District Council of Elliston for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, 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*.



**Ian G McDonald FCA**

Dated this 28<sup>th</sup> day of October 2015

Liability limited by a scheme approved under Professional Standards Legislation

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# ATTACHMENT2: EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION (EPLGA) ANNUALREPORT



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

## *Annual Report* *2014/2015*

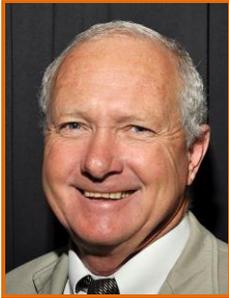




*Cover photo:  
Eyre Highway leading into  
Wudinna, courtesy of David  
Crawford - taken during the  
Black Dog Ride 2015 to raise  
awareness for depression*



## THE PRESIDENT'S REPORT



The 2014/15 financial year is the second year of operating jointly with Local Government Association (LGA) Outreach Program assisting EPLGA Member Councils employ Tony Irvine, Executive Officer of our association.

This has proven to be a valuable partnership, enabling a full time resource coordinating service delivery and Member Council assistance.

Detail of the work plan is documented in this annual report together with the activities and priorities of the LGA Outreach Program and summarises successes and difficulties experienced.

During the year we had very significant reform proposals released that will guide direction for Local Government in the short and long term.

Most significant of these was the expert panel report "The Councils of the Future". This report put forward discussion topics that will be subject to much debate over coming years. Already the concept of regionalising much of our governance, administration and service delivery is giving cause for concerted soul searching and adjusting. Government is looking carefully at the report and we, as a sector, need to be prepared and agile in our response.

Second of these was another expert panel report titled "Ideas for Reform on Planning Reform". This report suggested 27 reforms, some of which, if legislated or adopted, would substantially change the process of how we develop and implement our planning schemes.

I encourage all Elected Members to fully engage with opportunities to influence and administer the direction of these reforms. It is my firm view that Councils on Eyre Peninsula will be very different in 10 years, as State Government takes more control of some of our functions and less in others. We expect delegation without funding, regionalisation and funding constraints. How we manage service delivery to our communities will be different. Our work will be to find efficiencies and solutions at the same time in growing our communities.

Some of the highlights for 2014/2015 included:

- Joint regional training.
- Establishment of a mining taskforce.
- Roads hierarchy.
- Zone emergency plans.
- LGA Outreach Program delivery.
- Work on procurement.
- Establishment of a CEO management group.

Further details regarding these activities and actions have been presented in the body of the annual report.



I wish to place on record on behalf of Member Councils, our appreciation and thanks to outgoing President Mayor Julie Low, who ably led our association for 4 years. Julie's commitment to our region and her excellent representation on the SAROC and the LGA Board was critical in maintaining Eyre Peninsula at the forefront of State policy development. She played a significant role in setting our organisation up with talented Executive Officers and guiding us with integrity and poise. Julie was supported by her Executive Committee, which was comprised of Eddie Elleway and John Schaefer, and we endorse her appreciation of them.

Thanks also to Tony Irvine who, with energy and passion, undertakes the challenging role of assisting and leading us through change. He assists Local Government with the delivery of our services and is a strong advocate for our members and our sector.

**MAYOR BRUCE GREEN**

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## THE REGION

The region comprises 230,000km<sup>2</sup> of land in the far west of South Australia; about 23% of the State.

The region has a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000 kilometres. The landscape features a rugged and relatively undeveloped coastline, particularly on the western side of the Eyre Peninsula. The coastal and marine environment includes marine and conservation parks and encompasses approximately 250 islands ranging in size from about 180 to 40,000 square metres.

A large proportion of the region has been cleared for agricultural production; but significant areas of native vegetation remain. Vegetation clearance for agricultural purposes ranges from 14% in the far west to 72% in the south. About 15% of the region's grazing area is covered with scattered vegetation.

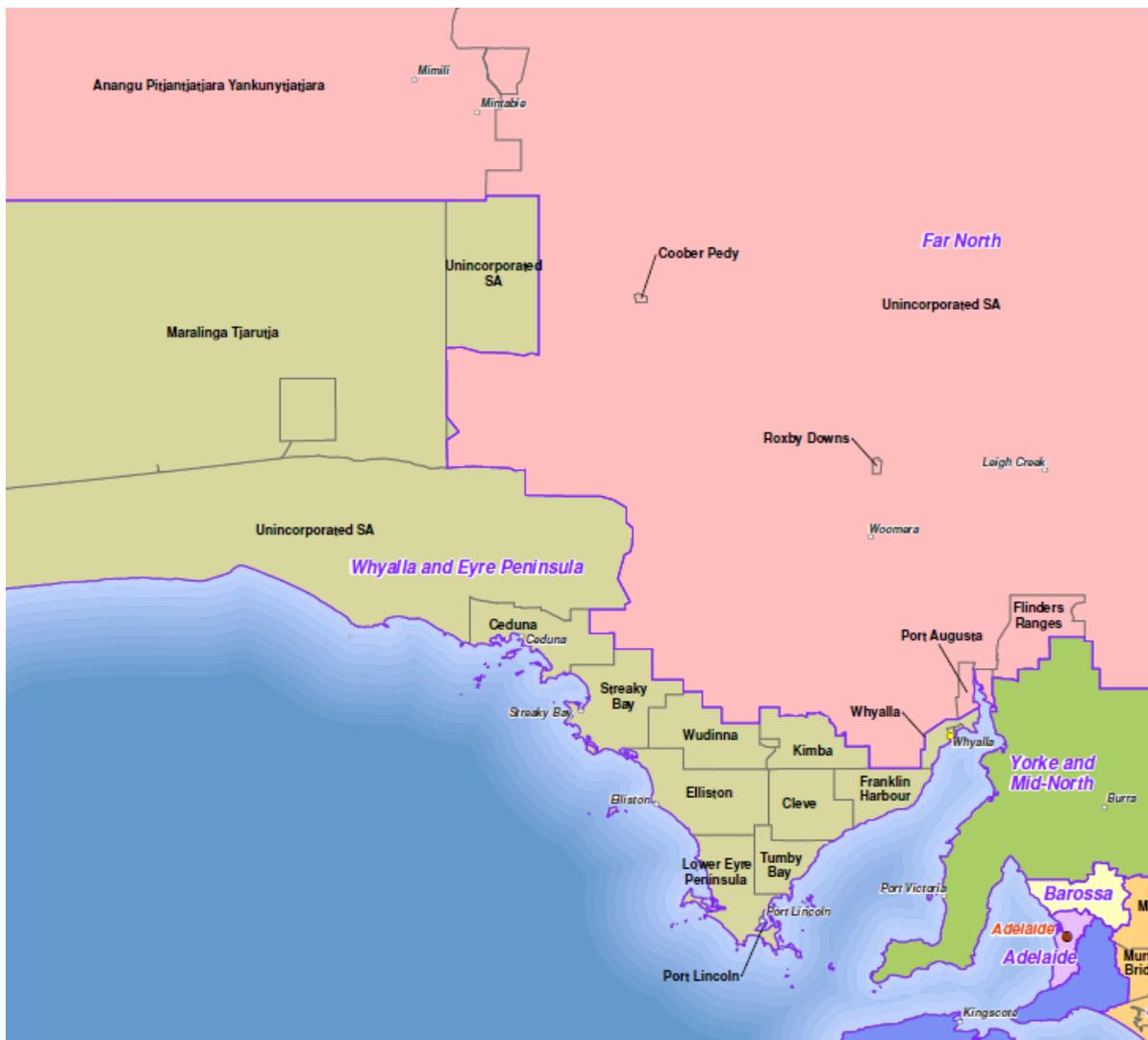


Figure 1: Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.



### Regional Population and Local Government

The region has eleven Local Government Authorities (LGAs) as well as remote unincorporated areas serviced by the Outback Communities Authority. The LGAs are: The City of Whyalla and City of Port Lincoln; and the District Councils of Ceduna, Cleve, Elliston, Franklin Harbour, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay, and Wudinna.

For Census data collection purposes the Maralinga Tjarutja Aboriginal Land (established under the *Maralinga Tjarutja Land Rights Act, 1984*) is regarded as an LGA in its own right. However, Maralinga Tjarutja is not a member of the EPLGA.

The regional population of 56,396 (ABS 2011 Census) comprises about 3.5% of the South Australian population. 98.7% of people reside in the eleven LGAs, which collectively occupy 43,779km<sup>2</sup> or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION	
	Km <sup>2</sup>	% of Region	No.	% of Region
Whyalla	1,032.5	0.44	22,088	39.16
Port Lincoln	30.4	0.01	14,086	24.98
Ceduna	5,427.1	2.33	3,480	6.17
Cleve	4,506.7	1.94	1,733	3.07
Elliston	6,500.0	2.79	1,046	1.85
Franklin Harbour	3,283.0	1.41	1,273	2.26
Kimba	3,986.2	1.71	1,088	1.93
Lower Eyre Peninsula	4,771.0	2.05	4,916	8.72
Streaky Bay	6,232.0	2.68	2,102	3.73
Tumby Bay	2,615.9	1.12	2,586	4.58
Wudinna	5,393.8	2.32	1,253	2.22
<b>Collective Local Government (11 LGA's)</b>	<b>43,778.6</b>	<b>18.8</b>	<b>55,651</b>	<b>98.7</b>

RDAWEP Local Government Land Areas and Population 2011.

It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on 1st July 2014 due to an adjustment of the Council boundaries. The Boundary Adjustment Facilitation Panel supported the transfer of 492km<sup>2</sup> of land from Franklin Harbour to Cleve to address the concerns of residents living in the Hundreds of Mangalo and Heggaton. Approximately 62 residents live in the area.

In 2011, the region had 3,225 Aboriginal people comprising 5.7% of the regional population. This was notably above the proportions in South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) live in the LGAs of Whyalla, Port Lincoln and Ceduna. The greatest concentration is in Ceduna, where Aboriginal people comprise 24.9% of the Council population

Since 2001, the regional population has grown by 4.5% but this is not consistent across the region as a whole. The District Councils of Elliston, Wudinna and Kimba experienced population decline of -15.2%, -13.7% and -8.5% respectively, but the District Council of Lower Eyre Peninsula experienced growth of 17.2%. Population growth was also experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.



The demographic change is caused by several factors, with the desire for a sea change lifestyle being a key reason. Streaky Bay and Tumby Bay are very desirable coastal locations and new estate developments have been established to cater for growing housing demand, notably by retirees from the agricultural sector. Population growth in the District Council of Lower Eyre Peninsula stems from several locational and lifestyle advantages including numerous coastal townships and proximity to the regional city of Port Lincoln and Port Lincoln Airport. Kimba and Wudinna are the only Councils without a coastline and this impacts their appeal and tourism development potential.

### Population Ageing

The regional population is ageing. In 2011, the region’s median age was 39, an increase from 38 in 2006. People aged 65 years and over comprised 15.5% of the regional population, which is above the 14.0% rate for Australia, but below the rate of 16.2% for South Australia.

PEOPLE 65 YEARS OF AGE AND OVER	Region	%	South Australia	%	Australia	%
2006 ABS Census	7,758	14.3	233,127	15.4	2,644,374	13.3
2006 Median Age	38		39		37	
2011 ABS Census	8,727	15.5	257,551	16.2	3,012,289	14.0
2011 Median Age	39		39		37	

People 65 Years of Age and Over. (ABS Census 2006 and 2011).

The population 65 years and over grew by 1.2% from 2006, exceeding the growth rate of 0.8% for South Australia and 0.7% for Australia.

Almost half of the regional population (49.6%) was 40 years of age and over in 2011 with 21.5% over 60 years of age. The District Council of Tumby Bay has the oldest population profile with 60.1% over the age of 40 and 32.1% over 60 years of age. Similar results for the over 40 age sector were recorded for Kimba (55.9%), Franklin Harbour (55.7%), Cleve (55.3%) and Elliston (54.5%).

Conversely, young people 15-24 years of age comprise the smallest sector of the regional population at 12.1% and this is consistent in all local government areas.

Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) have the smallest proportion of 15-24 year olds, whereas Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) are the only areas where the 15-24 aged sector exceeds the regional average.

Projections indicate that South Australia’s population aged 65 and over will increase to 22.6% in 2020 and to 25.7% by 2030. It is also known that approximately 30% of young people leave the region each year for employment and study in metropolitan Adelaide. The combination of a growing aged sector and diminishing numbers of young people is not sustainable and has serious implications for future workforce provision.

Retirements will diminish the labour force of skilled and experienced labour and create employment openings for young people. It is estimated that over 11,000 workers (about 40% of the regional workforce) will leave their jobs within 20 years if they all retire at 65 years of age. But there will be limited choice with the provision of a capable replacement pool.

The regional population is too small to provide the workforce for anticipated future development needs, with the consequence that approximately 3,800 workers will need to be recruited from elsewhere by 2020.



## **Regional Economy**

The regional economy is extremely diverse, but the industry composition is changing. Based on employment generation, the main industries in 2012-13 were health and community services, retail trade, manufacturing, agriculture, education and training, and construction. Tourism and mining are the region's fastest emerging industries and have significant potential for future growth.

The health care and social assistance industry is the largest employer in South Australia and the largest regional industry. In 2012-13, the industry provided 3,437 jobs or 14.0% of the region's jobs. Due to the ageing of the regional population and increasing demand for aged care services, the aged care sector is expected to grow in future years.

The retail trade industry is an integral part of all regional townships and has the highest concentration in Whyalla and Port Lincoln. The retail sector is the region's second largest industry providing 2,669 jobs in 2012-13 or 10.5% of regional jobs. Most employees are based in Whyalla (997 jobs) and Port Lincoln (1,064 jobs). This sector has experienced steady employment growth of about 7.0% since 2001. The growth and sustainability of the retail sector is largely reliant on the success of the region's major industries; particularly agriculture, manufacturing, mining and tourism. Many retail businesses have been established to directly support and service these industries.

Manufacturing, which includes food processing and the production of metal products, is the region's third largest industry providing 2,552 (10.4%) of jobs in 2012-13. The manufacturing industry experienced modest employment growth of about 3.6% since 2001.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Manufacturing is the biggest employer in Whyalla providing 1,838 jobs in 2012-13, comprising nearly three quarters (72%) of the region's manufacturing jobs. Port Lincoln provided 577 (or 22%) of the region's manufacturing jobs.

Most of Whyalla's manufacturing jobs (1,648, or 90% of manufacturing jobs) were in the iron and steel production and metal products sectors. Whyalla's reliance on steel manufacturing makes its economy extremely vulnerable to commodity price variations in the international market. Falling commodity prices for iron ore from 2013 led to a substantial reduction of Arrium's workforce during 2015.

Agriculture provided 2,290 (9.3%) of the region's jobs in 2012-13. Agriculture was the largest employer in the District Councils of Lower Eyre Peninsula (428 jobs); Tumby Bay (322); Elliston (260); Kimba (238) and Wudinna (216). Census data indicate that agricultural employment has declined by about 16.8% since 2001; largely due to the rationalisation of farming properties which reduced employment opportunities in this sector. Agriculture is nevertheless a major industry in the region, and is the principal economic driver in some regional townships.

The RDAWEP region is world renowned for its premium seafood product, largely due to the success of the trade mark and brand: *'Eyre Peninsula – Australia's Seafood Frontier'*. However, fishing and aquaculture are small employers in comparison with other industries; providing 250 and 471 jobs respectively during 2012-13.

The region's mining sector is also a relatively small employer. In 2012-13, mining provided 923 (3.7%) of the region's jobs. Most of these jobs were provided in Whyalla (671), Ceduna (142), Franklin Harbour (53), and Tumby Bay (28). Mining is nevertheless the region's fastest growing industry, with a substantial 79.2% growth in employment during 2001-2011. This is largely the result of unprecedented mining exploration. The mining impact is expected to grow substantially in forthcoming years as new ventures move from exploration to operation. This will create numerous employment opportunities and further diversify the regional economy. However, major infrastructure investment in ports, roads, rail, power and water is essential for these development opportunities to be realised.



Tourism is also a fast growing industry with considerable development potential, due to the region's unique and diverse nature-based visitor experiences, and premium seafood products. Tourism is important for the regional economy. Visitor expenditure was estimated to be worth \$300 million in 2012-2013 from approximately 616 businesses. New tourism product is continuously being developed, and there is substantial opportunity for further growth through marketing the region as a culinary tourism destination.

### *A Region of Quality*

Diversity is one of the region's greatest attributes and underpins its comparative advantage and competitiveness. Industrial diversity is important for economic growth and sustainability because it gives the region resilience through not being reliant on a single industry or single product for its prosperity.

But the concept of quality is emerging as a distinctive regional attribute. The region is renowned for its premium seafood, high quality grains and the pristine, unblemished nature of its landscapes, seascapes and conservation parks. The region is being lauded for high quality and different nature based tourism experiences – such as swimming with tuna, cage diving with Great White sharks and whale watching at the Head of the Bight. But other qualitative characteristics are becoming apparent as distinguishing features.

- **High quality magnetite** – the magnetite from Iron Road's Central Eyre Iron Project at Warramboo is high quality at 67% iron with few impurities. This is of considerable interest in China because the ore does not need pelletisation which expedites the smelting process and reduces environmental emissions. The magnetite is expected to attract a quality premium differential of \$US18 per tonne over the market price for iron ore and this expectation is included in Iron Road's Definitive Feasibility Study for the project.
- **High quality graphite** – the graphite mines at Uley (Valence Industries), Kookaburra Gully (Lincoln Minerals), Campoona and Waddikee (Archer Exploration) are reputed to contain the largest flake and best quality deposits in the world with the capacity for manufacturing graphene products which have increasing world demand for advanced technological and medical applications.
- **High quality kaolin** – Minotaur Exploration's Carey's Well kaolin mine near Poochera is reputed to contain the brightest and whitest kaolin in the world (at ISO brightness of 80) and is much sought after for high quality paints, inks, plastics and ceramic finishes.
- **High quality zircon** – Iluka Resources' Jacinth Ambrosia mine north of Yalata is arguably the largest deposit of the highest quality zircon the world. It is also anticipated that other heavy mineral sand deposits in the far west of the region are likely to produce similar quality product.

These qualitative attributes are complemented with escalating growth of innovative approaches and processes to economic and product development.

Collaborative problem solving approaches to economic development have been adopted region wide through industry based Target Teams and other stakeholder engagement. The region's educational institutions are pursuing research for sustainable farming and renewable technologies. Pilot and demonstration projects are being progressed for the production of biofuels from algae and other feed stocks and the application of wind hydro technology for power generation. Best practice environmentally sustainable production technologies are being pursued by the region's aquaculture industry and world class, advanced technology graphene and interpretive initiatives are being progressed to tap new and emerging international markets.

Coupled with significant and growing capex investment in recent years and yet to be realised export potential in the resources sector, the region is well positioned for long term, sustainable economic growth into the future.

The region's doors are not only open for business but they are marked by branding in big letters stating 'enter here if you want the best'.



## MEMBER COUNCILS 2014/2015:

- City of Whyalla
- City of Port Lincoln
- DC Ceduna
- DC Cleve
- DC Elliston
- DC Franklin Harbour
- DC Kimba
- DC Lower Eyre Peninsula
- DC Streaky Bay
- DC Tumby Bay
- Wudinna DC

## THE REPRESENTATIVES

### *Executive:*

TITLE	MEMBER NAME	COUNCIL	TENURE
<b>President</b>	<b>Mayor Bruce Green</b>	<b>City of Port Lincoln</b>	<b>From 22 February 2015</b>
<b>Immediate Past President</b>	Mayor Julie Low	DC Lower Eyre Peninsula	To 22 February 2015
<b>Deputy President</b>	<b>Mayor Sam Telfer</b>	<b>DC Tumby Bay</b>	<b>From 22 February 2015</b>
<b>Past Deputy President</b>	Mayor Eddie Elleway	DC Franklin Harbour	To 22 February 2015
<b>Chief Executive Officer</b>	Mr Rob Donaldson		

The President and Deputy President are our nominated representatives to the SAROC and State Executive Forums. The Executive Officer is also a SAROC delegate.

### *Other Regional Organisations:*

#### **Regional Development Australia Whyalla and Eyre Peninsula Inc:**

Mayor Jim Pollock, Chair/Executive Member	- City of Whyalla
Cr Colin Carter	- City of Whyalla
Mayor Allan Suter, Executive Member	- DC Ceduna
Cr Bryan Trigg	- DC Cleve
Cr Clare McLaughlin	- City of Whyalla

#### **Eyre Peninsula Natural Resources Management Board:**

Mr Rob Donaldson	- CEO, City of Port Lincoln
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#### **Zone Emergency Management Committee:**

Mayor Julie Low (Presiding Member)	- DC Lower Eyre Peninsula
Tony Irvine, Executive Officer	- EPLGA
Rod Pearson	- DC Lower Eyre Peninsula
Grant Drummond, General Manager Operations	- DC Ceduna
Ivan Noble, Works Manager	- DC Cleve

#### **Eyre Peninsula Integrated Climate Change Adaptation Committee:**

Mayor Julie Low (President)	- to 22 February 2015
Mayor Bruce Green (President)	- from 22 February 2015
Tony Irvine, Executive Officer	- EPLGA



### EPLGA Board Members 2014/15

Under the terms of our Charter, the following Board appointments were current as at 30 June 2015.

MEMBER COUNCIL	BOARD MEMBER	DEPUTY BOARD MEMBER
Ceduna	Allan Suter (Mayor)	Lynton Brown (D/Mayor)
Cleve	Roger Nield (Mayor)	Bryan Trigg (D/Mayor)
Elliston	Kym Callaghan (Chair)	Dave Allchurch (Deputy Chair)
Franklin Harbour	Robert Starr (Mayor)	Michael Williams (D/Mayor)
Kimba	Dean Johnson (Mayor)	Graeme Baldock (D/Mayor)
Lower Eyre Peninsula	Julie Low (Mayor)	Don Millard (D/Mayor)
Port Lincoln	Neville Starke (D/Mayor)	Andrea Broadfoot (Councillor)
Streaky Bay	Sherron MacKenzie (Mayor)	Robert Stephens (Deputy Mayor)
Tumby Bay	Sam Telfer (Mayor)	Geoff Stewart (D/Mayor)
Whyalla	Jim Pollock (Mayor)	Clare McLaughlin (Councillor)
Wudinna	Eleanor Scholz (Chair)	Ned Luscombe(D/Chair)

### ANNUAL CONFERENCE SCHEDULE

A highlight on the EPLGA calendar is the Annual Conference, hosted each year by a member Council. To assist in host Council planning, the following schedule is included:

<b>Year</b>	<b>Council</b>	<b>Year</b>	<b>Council</b>
2016	DC Ceduna	2022	DC Cleve
2017	DC Lower Eyre Peninsula	2023	DC Streaky Bay
2018	City of Port Lincoln	2024	DC Elliston
2019	DC Kimba	2025	DC Tumby Bay
2020	Wudinna DC	2026	City of Whyalla
2021	DC Franklin Harbour		

The 79<sup>th</sup> EPLGA Conference will be held on Monday 29 February – Wednesday 2 March 2016 in Ceduna.



## REPORT OF ACTIVITIES 2014/15

Our core activities always include reacting to legislation and policy changes that may have a negative impact on our region. This year ongoing concerns and/or participation have been with the following matters:

- › State and Federal Marine Parks.
- › Natural Resources Management – joint partnership planning, delivery of services.
- › Regional Recognition/Lobbying – ongoing on various matters as they arise.
- › Mining and Impacts – implementation of a taskforce.
- › Emergency Management – regional planning and Council planning, followed by implementation.
- › Development Act Reform.
- › Coastal Access issues.
- › Various roads and waste issues – regional strategy and Zero Waste cessation.
- › Regional Strategy for LGA.
- › The Councils of the Future
- › Television reception and servicing – interstate services.
- › Mobile phone hotspots.
- › Water Planning – state of the resource, etc.
- › Regional planning – RDAWEP, EPNRM, DPTI, etc.
- › Financial Assistance and Supplementary Road Funding – ongoing issues of SA’s injustice.
- › Health – local sub-regional issues.
- › Outreach Services:
  - Regional Procurement;
  - CEO’s Committee;
  - CWMS Users Group;
  - Regional Training and Seminars delivery;
  - Shared Services – EBA and Award consolidation – LEP Councils;
  - Assets Management and Long Term Financial Planning; and
  - Internal Controls Group.
- › Roadside Native Vegetation – management issues.
- › Regional Climate Change Adaptation Plan finalisation and continuation of the Eyre Peninsula Integrated Climate Change Agreement [EPICCA].
- › Tourism – restructure to sub-regional groups, Food and Tourism Prospectus, RV and Caravan Strategy.
- › Speed Limits Review – reduction from 110kph to 100kph.
- › Aged Care at the local Council level – Council’s role.
- › NHVR impacts on farm machinery movements.
- › Transport Plan and SLRP Prioritisation and funding applications.
- › Oil and gas exploration in the Great Australian Bight.
- › Joint submissions with RDAWEP on various issues.

## PROJECTS 2014/2015

### *Regional Training*

The LGA and other training providers have delivered many more training sessions in the region to reduce costs for Councils. Training undertaken during the last 12 months includes:

- › Audit Committee
- › Council Development Assessment Panels
- › Civil training - various
- › Code of Conduct
- › Council Contracts Management
- › Developing Confidence
- › Elected Members Training
- › Intro to Local Government
- › Leadership
- › Workplace Health and Safety
- › Plan Reading and Levelling



- › Rating
- › Records Management
- › Road Safety and Traffic Control
- › Volunteering
- › Waste Water

Other Legal Seminars on different issues such as planning and development, ICAC, etc, were also organised at individual Councils.

The LGA has developed a training program relevant to the region and this can be further enhanced with Councils submitting training plans to the EPLGA for co-ordination.

TAFE and RDAWEP have been working closely with the EPLGA to deliver more civil training on site at Councils.

### ***Emergency Planning***

Software was developed and rolled out to all 11 Member Councils to assist with the development of individual Council Emergency Plans. Difficulty was experienced in most Councils regarding utilisation of the software to develop their plans. The development of the individual plans will be reviewed in 2015/2016 in an effort to ensure all Councils are compliant.

The completion of the individual Council plans are essential, not only for compliance reasons, but for direction to be provided to the Zone Emergency Management Committee in the development of the overall zone plan. The software was developed so the highest risks for individual Councils could be rolled into a zone plan.

### ***Outreach Services Pilot Program***

The program includes:

- › assisting with the preparation of LGA policy on regional development;
- › preparing a profile of the region with a focus on what it contributes to the economic growth of both the State and Nation;
- › governance needs of each Council;
- › legislative compliance in assets management and long term financial planning;
- › skills assessment in areas such as IT, planning, environmental health, etc, and develop a regional training plan;
- › short term employment requirements rather than full time employees;
- › shared services arrangements to assist in meeting the short/long term skills requirements and other needs;
- › opportunities arising from the Local Excellence Program - trialling new methods of implementation, eg improving performance, systems and processes that sustain good performance, raising the image of Local Government, effective engagement across the region and State as a whole, ie political clout, with other spheres of government, seeking financial arrangements to support the programs required;
- › positioning Local Government and the region for the State 2014 elections by gathering evidence of the needs of the sector and possible solutions that could be an "ask" in an election environment;
- › identifying any 'centre of excellence' that may exist within the region;
- › developing CEO, Works Manager and any other forums to assist in the sharing of resources and information, which would eliminate repetition of the same forum x 10; and
- › managing local issues for the Member Councils - advocacy, lobbying, problem solving, etc.

The LGA and the EPLGA have completed the 2 year pilot, which was centred on:

- › preserving the current important role of the Executive Officer of the EPLGA;
- › enhancing the connections between the work of the EPLGA and that of the LGA where it is mutually beneficial to do so;
- › enhancing the services of the LGA to be an 'outreach' service but targeted to needs identified by the EPLGA/Region;
- › appointing a resource collaboratively identified by the LGA and EPLGA to deliver on the ground services to Councils;
- › agreeing on a program of works/activity and the funding model required; and
- › addressing other issues deemed important to the success of the pilot.



Such was the success of the pilot program that it has now been rolled out to all regional LGAs, with each receiving \$50,000 towards the program.

## **EPLGA CEO COMMITTEE**

On 28 June 2013, the EPLGA established a Chief Executive Officer Committee to 'meet from time to time to consider issues of relevance to Eyre Peninsula Councils, and to provide advice to the EPLGA Board on those issues'.

The Committee's role is to:

1. provide high level strategic advice to the EPLGA regarding identified priority issues;
2. arrange and coordinate reports to the EPLGA on those priority issues;
3. initiate reports and advice to the EPLGA on other matters identified by the Committee to be of strategic regional significance;
4. assist and advise the EPLGA about the development and implementation of its Management Plan and other plans; and
5. share operational information and expertise amongst the committee members and other agency Chief Executive Officers.

The membership of the Committee is comprised of the Chief Executive Officers of all Councils, who are members of the EPLGA. Other regional CEOs and the Regional Risk Coordinators are invited to the meetings. These meetings allow the sharing of information and expertise, which mutually benefits clusters of Councils or the region as a whole. The agendas reflect the EPLGA agendas to a degree with other day to day operational matters included and are in the domain of the role of a CEO. However a regional economic component led by the CEO of RDAWEP is now core business for the committee.

Other working groups have been established to assist with specific regional tasks or take advantage of opportunities, eg procurement, CWMS users, WHS Groups, Roads Working Party and Internal Controls Group.

## **REGIONAL ROADS PRIORITIES/ REGIONAL TRANSPORT PLAN**

At the EPLGA Board Meeting in June 2013, a resolution was passed to undertake a review of the criteria used to prioritise regional roads to be submitted for funding from the Special Local Roads Funding Program.

A discussion paper was released to seek support for the methodology to be used in the review. Stakeholders were in agreement with the discussion paper and from this the project was scoped for the consultants to carry out the work required. A desired outcome is a roads database for the entire region with all roads categorised and prioritised.

SMEC is nearing the end of roads component of this project, which has taken considerable effort in the collection of road data. Once the roads database is complete and adopted by Member Councils, the next phase will proceed, being a regional transport strategy. The strategy will incorporate the roads data and all other transport issues such as airports, sea ports, etc.

## **EP INTEGRATED CLIMATE CHANGE ADAPTATION**

The Executive Officer and President sit at the EPICCA Committee table.

Under the State Climate Change Adaptation Framework, areas across the State, including the Eyre Peninsula, were required to develop a Regional Climate Change Adaptation Plan. EPICCA facilitated the development of the plan for Eyre Peninsula, focussing on a practical, regionally-appropriate and sensitive measure to address the likely impacts of climate change.

The plan has now been completed for the region and with continuation of collaboration between the EPNRM, RDAWEP and EPLGA in this area, this working group will move into implementation of the plan's pathways. All parties will contribute \$12,500pa for the next 3 years of this project. The State Government has committed \$25,000 towards the group's activities for 2015/2016.



## REGIONAL WATER RE-USE PLANNING AND FUNDING

In June 2013 a funding submission was lodged to establish a Regional CWMS Users Group with a view to improving regional skills in this area in addition to a forum focussed on sharing of information. The bid was successful and hence a users group has been established.

The Eyre Peninsula Councils jointly own and operate 13 community wastewater management schemes servicing 5,775 property connections. The Councils are acutely aware of the potential impact of the Water Industry Act and the increasing regulatory and reporting environment surrounding CWMS operations due to their classification as an essential service.

The following desired outcomes of a CWMS Users group were identified:

- › Establishment of a users group to facilitate intel sharing across Councils operating CWMS.
- › Identification of regional capacity and skills gaps to provide for the efficient and compliant ongoing operation and maintenance of existing and new Community Wastewater Management Schemes.
- › Promote regional training to maintain skill sets required to ensure sustainability.
- › Development and implementation of standardised recording and reporting mechanisms.
- › Facilitated development of an up-to-date user friendly operation, and maintenance, monitoring and contingency plans.
- › Schematic mapping of existing schemes to assist with an understanding of catchment capacities and constraints.
- › Development and implementation of standardised accounting systems to assist in comparisons between schemes and Councils.
- › Identification of opportunities for shared resources, including platforms for remote access.
- › Identification of potential shared procurement opportunities in areas such as spare parts inventories, septic tank desludging and drain flushing.

It was proposed that the initial development of an EPLGA CWMS User Group be facilitated by an external third party, a model which proved successful in the South East Council’s User Group.

The Member Councils of a CWMS User Group committed both management and operational resources to this project and it is intended that this initial commitment will continue through to the ongoing operations of the User Group as a recognised working group of the EPLGA.

The group held its inaugural meeting and commenced work with regular reporting to be tabled at EPLGA Board meetings.

While the LGA CWMS Committee will not be funded beyond 2014/15, the group has successfully obtained a recommitment from those Councils with CWMS Schemes for a further \$15,000 in total. This will enable the group to continue its work in 2015/2016.

## REGIONAL TRAINING

An increase in Council participation has been witnessed through the Executive Officer of the EPLGA being a link and encouraging Councils to participate in LGA sponsored training programs and other training sessions/seminars. This is also contributed to the Executive Officer providing advice to the LGA on locations and timing of training to avoid clashes with regional seasonal events, such as harvest, as well as other scheduled events. As part of the independently conducted Outreach Services Pilot Program Review the following statement was made in regards to training:

*“Regional Training has been very successful and continues to be increasingly supported and valued by officers and elected members:*

<b>Details</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
<i>Sessions conducted</i>	22	12	18
<i>Participants</i>	22	176	365



*The Executive Officer has identified savings for 2014/ 15 to be in excess of \$365k through time, travel, accommodation and course costs per head as a direct result of the dramatic increase in participation. There are also the non-dollar benefits through increased participation and therefore increased skills, experience and networking within the region."*

There is no doubt the effort in arranging regionally held training has resulted in significant savings to Councils.

## **MANAGEMENT PLAN REVIEW**

At the June 2015 meeting the EPLGA Board considered and adopted the reviewed EPLGA Management Plan 2013 - 2016.

To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term 'Management Plan'. The Management Plan is for the period 2013 - 2016 and reviewed annually, incorporating an updated annual work plan and budget for the current year. It also includes the strategic directions the EPLGA wishes to take for the period 2013-16.

### ***Management Plan Performance***

#### **1. ACTIVELY ASSIST MEMBERS BY REPRESENTING THEIR COMBINED INTERESTS.**

1 Seek invitation to provide responses to legislative and policy changes that materially impact our region.

1.2 Seek the mandated preparation of regional impact statements prior to any state legislated changes likely to affect our region.

*Comment: RDAWEP and EPLGA jointly funded the preparation a regional statement and have captured regional evidence by developing 78 industry sets of statistics. This information will not only be used to support or object to State legislation or policy changes but to develop regional economic and strategic plans.*

1.3 Prepare coordinated submissions to relevant inquiries and proposals on behalf of members.

*Comment: RDAWEP and EPLGA prepare regional submissions in partnership.*

1.4 Take an active interest in regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and any activities that could impose changes to our region.

*Comment: President and/or Executive Officer are actively involved in regional committees and/ or meetings dealing with regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and other activities that may impose change upon the region.*

1.5 Continue to advocate for roads funding opportunities.

*Comment: The development of a roads database for all EP roads and a Regional Transport Strategy will be used as a tool for prioritising regional roads for funding.*

1.6 Develop a coordinated approach to the Commodity Freight Routes across the region, being mindful of divergent needs between Councils.

*Comment: Comments in 1.5 will apply to this as freight roads will be weighted to assist in the prioritisation of regional roads seeking funding assistance.*



## 2 BUILDING STRONG PARTNERSHIPS FOR THE PROMOTION OF OUR SECTOR AND OUR REGION

- 2.1 Ensure we are represented at SAROC, State Executive Committee meetings and the General meetings of the LGA.

*Comment: The President and Executive Officer attend these meetings when held.*

- 2.2 Ensure regular information flows to our member Councils via newsletters, website updates, media announcements and personal contacts.

*Comment: After each EPLGA Board meeting a wrap of the meeting is prepared and forwarded to all regional media outlets. It is also posted on the EPLGA website. The media are used as and when needed and are also sent the meeting agendas and minutes.*

- 2.3 Seek reports from regional partners at EPLGA Board Meetings and forums.

*Comment: Regional partners have a standing agenda item at each Board meeting to present to the constituent Councils. They are also invited to CEO Committee meetings.*

- 2.4 Actively seek direct engagement with state government partners in order to allow bottom up, and more streamlined, planning and engagement.

*Comment: The EPLGA has been a strong advocate for state government partners to visit the region on planning and engagement matters, eg Regional Forums, Regional Roadshows, Planning reform, Ministers visiting regional functions and openings, etc.*

- 2.5 Seek opportunities to partner with industry and community groups to promote the economic and social prosperity of Eyre Peninsula.

*Comment: RDAWEP and EPNRM CEOs and Staff meet regularly with the Executive Officer on a range of economic and social matters. The EO also meets with NGO's.*

- 2.6 Work with member Councils to facilitate economic expansion by coordinating the approach to structure planning, ensuring consistency with the principles contained in the Eyre and Western Plan.

*Comment: The Mining Taskforce has a focus on this functional role for Councils. More detailed work by the Taskforce's Coordinator is expected in 2015/16.*

- 2.7 Work with state departments and regional partners to better coordinate Infrastructure Planning consistent with the principles in the Eyre and Western Plan.

*Comment: The Executive Officer along with Council representatives have been involved in the Integrated Transport and Land Use planning undertaken by the state government. The plan is for the region to develop its own infrastructure plan to feed into state government plans. The region is also involved in RDAWEP Infrastructure planning. Further work in regional strategic planning is required and planned for the near future.*

- 2.8 Investigate ways to encourage the state government to streamline its regional consultation processes to avoid multiple meetings that duplicate effort.

*Comment: This has been an issue discussed at the SAROC level and continues to be pursued. The Minister for Local Government and Regional Development has held forums and roadshows in the region plus attended EPLGA Board meetings and other regional meetings. This is an example of the State Government's commitment to consulting the region in a more concise way.*



### 3 RAISE THE PROFILE OF THE ASSOCIATION BY GREATER MEDIA PRESENCE

- 3.1 Issue a media release after each Board meeting and at any occasion where deemed appropriate.

*Comment: Media used as and when appropriate. Agenda and minutes of the Board are distributed to regional media to seek interest. The meeting wrap is also distributed to the media outlets.*

- 3.3 Consider the nomination of media representatives to present a coordinated and endorsed approach to all media.

*Comment: Still managing media in-house.*

### 4 ASSIST MEMBER COUNCILS BY COORDINATING REGIONAL INVESTIGATIONS OF OPERATIONAL ISSUES

- 4.1 Actively participate in meetings that promote Continuous Improvement activities in Councils.

*Comment: The Outreach Services Program is in part about the continuous improvement of activities in Councils. The Executive Officer also sits on a LGA Assets management Advisory Committee investigating ways that Councils can continually improve the way they manage their assets.*

- 4.2 Continue to promote regional training opportunities to assist Councils to up-skill their workforce.

*Comment: The Executive Officer has been assisting with this through better co-ordination of the type of training required, when it could be held and the most suitable location for training. Councils response has been excellent, highlighting the success of this effort.*

- 4.3 Facilitate Shared services investigations and discussions at either the regional or sub regional level, where appropriate.

*Comment: The Executive Officer has assisted in the Lower Eyre Peninsula Councils shared service project. The consolidation of awards and EBA's project when completed can be shared with other Councils. Other works undertaken by the various groups and committees is an example of shared services and resources, eg Regional Procurement, CWMS, CEOs' Committee, Internal Control and RRC's WHS meetings.*

- 4.4 Liaise with the LGA program managers to assist in linking funding opportunities to Council activities.

*Comment: As an example of this working, funding has been gained for the Outreach Services (\$70,000), Regional Capacity Building (\$38,000) Lower EP Councils shared services (\$15,000), EP CWMS Users Group (\$15,000), Mining Taskforce (\$10,000) and Regional Procurement Road Map (\$80,000).*

- 4.5 Review our Charter.

*Comment: Completed in Dec 2013*

- 4.6 Coordinate a regional or sub regional approach to road upgrades required for resource sector expansion.

*Comment: A Mining Roundtable was held in October 2014 to assist with this type of planning. A report from the SA Centre for Economic Studies was part funded by the EPLGA and LGA to assist with these issues. A Taskforce terms of reference has been developed along with appointing a Coordinator to manage the process. The taskforce met three times during the 2014/15 year. It has gathered much information and developed great working relationships with Mining Companies, State Government, EPNRM, RDAWEP and other groups as required to ensure it can now be more individual mining project and location focussed.*



- 4.7 Review the methodology of preparing the Eyre Peninsula Road Strategy.

*Comment: The Roads Strategy was re-worked in 2013. Following this a database has been developed to include all EP roads with a methodology prioritisation tool inbuilt to give better road prioritisation. Further data is being collected to finalise the database to allow better planning and prioritisation. The collection of data has been a difficult task but the part of the overall Transport Strategy is nearing completion and will be presented to the working group for approval then the EPLGA Board.*

- 4.8 Prepare regional submissions to fund combined approaches to governance activities required of Councils, where agreed by Members.

*Comment: Working Groups and shared services will lead to this occurring on a more regular basis, eg, CWMS Group has commenced.*

**5 DEVELOP WAYS TO DIRECTLY ENGAGE WITH BOTH STATE AND FEDERAL GOVERNMENTS TO ASSIST IN REGIONAL PROMOTION**

- 5.1 Include funding in the Annual Business Plan to allow deputation to both State and Federal parliaments on key issues that arise.

*Comment: Funding included in the budget.*

- 5.2 Liaise with other regional LGA and RDAs where combined lobbying best represents our interests.

*Comment: The Executive Officer meets bi-monthly with other regional LGA's Executive Officers to manage such issues as joint collaboration and lobbying. The Executive Officer is located in the RDAWEP Port Lincoln Offices and has a good connection to RDAWEP lobbying efforts.*

- 5.3 Seek opportunities to strengthen working relationships with the senior levels of state government.

*Comment: The Executive Officer has good political connections and uses these when needed.*

**6 UNDERTAKE A TWO YEAR "OUTREACH SERVICES" PILOT PROGRAM IN PARTNERSHIP WITH THE LGA OF SA**

- 6.1 Establish a funding agreement for \$70k per year with the LGA of SA.

*Comment: Established in July 2013 and concluded 30 June 2015. Pilot completed - program will continue in all regional LGA's after the pilot at \$50,000pa funding from the LGA.*

- 6.2 Establish a work plan for the pilot program in consultation with member councils and the LGA of SA.

*Comment: Established as per 6.1 and reported against to EPLGA and LGA of SA. COMPLETED. Independent Evaluation undertaken and such was the success of the pilot the program has been rolled out to other regional LGA's*

- 6.3 Prepare a case study of the pilot program for future reference.

*Comment: COMPLETED as independent evaluation.*



## KEY PERFORMANCE INDICATORS

While the measurement of performance is a key component of planning, the nature of the workload for the Executive Officer has typically made KPI setting and measurement difficult. Much of the day-to-day operational activity remains reactive and in response to legislated and policy changes that routinely emerge. However, the following measurement may be an indication of performance for each year.

KPI	MEASURED BY	TARGET SCORE
Member General Satisfaction	Number of formal complaints	Zero complaints from members Actual: Zero complaints received.
Member attendance at meetings, workshops, training	Number of members who are represented	All members Actual: Usually all 11 Councils represented.
Competitive funding secured	Dollars secured	Equal to membership (\$140K) Actual: Outreach Program \$70k Lower EP Shared Services \$15k EP CWMS Group \$30k Regional Capacity \$38k Regional Procurement LGA Rebate \$10K
Achieved annual work plan		All items either achieved or timeframes for completion, and process, in place. Some subject to external funding. Actual: On target
EPLGA is represented at LGA regions meetings	Number of meetings attended	100% Actual: 100%
Co-ordinate regional training activities on EP	Number of days training per year	At least 6 Actual: target exceeded (18)
Annual review of Executive Officer	Final achievement score	Average Rating of 3/5 for personal evaluation undertaken by EPLGA Executive Actual: Review occurred in June 2015. Report of satisfactory performance by President employment contract extended by 12 months.
Greater media activity	Number of interviews and media releases	At least one interview per month. Media releases at least every 2 months. Actual: Meeting target



## USE OF FINANCIAL RESOURCES

The following audited statement indicates another year of solid financial performance.

### EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

#### FINANCIAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2015

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Statement of Income & Expenditure

Balance Sheet

Notes to the Accounts

Board Certificate

Audit Report



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**STATEMENT OF INCOME & EXPENDITURE**  
**FOR THE YEAR ENDED 30TH JUNE, 2015**

		2015	2014
	NOTE	\$	\$
<b><u>INCOME</u></b>			
Grants Received	2	279,139	107,225
Interest Received		8,975	8,950
Project Income - EP Councils	3	120,472	86,276
Membership Fees	4	151,423	145,600
Reimbursable Expenses		806	1,485
<b><u>TOTAL INCOME</u></b>		<b>560,815</b>	<b>349,536</b>
<b><u>EXPENDITURE</u></b>			
Administration		9,116	9,339
Advertising & Promotion		1,164	-
Audit Fees		1,200	1,530
Bank Charges & Taxes		445	531
Computer Expenses		3,169	707
Employee Expenses		134,126	134,831
Insurance		5,549	5,429
Meeting Expenses		5,314	3,719
President's Expenses		2,005	1,750
Project Expenditure	5	342,892	220,736
Secretarial Services		17,255	17,000
Sundry Expenses		311	644
Telephone		926	909
Travel & Accommodation		13,604	10,016
<b><u>TOTAL EXPENDITURE</u></b>		<b>537,076</b>	<b>407,141</b>
<b><u>NET SURPLUS/(DEFICIT)</u></b>		<b>\$ 23,739</b>	<b>\$ (57,605)</b>

*The accompanying notes form part of these financial statements.*



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**STATEMENT OF INCOME & EXPENDITURE**  
**FOR THE YEAR ENDED 30TH JUNE, 2015**

	2015	2014
	NOTE	
	\$	\$
Net Surplus/(Deficit)	23,739	(57,605)
Extraordinary Items	-	-
<b><u>TOTAL NET SURPLUS/(DEFICIT)</u></b>	<b>23,739</b>	<b>(57,605)</b>
Surplus Funds at July 1	<u>183,595</u>	<u>241,200</u>
SURPLUS/(DEFICIT)	<u>207,334</u>	<u>183,595</u>
<b><u>ACCUMULATED SURPLUS/(DEFICIT)</u></b> <b><u>AT 30TH JUNE, 2015</u></b>	<b>\$ <u>207,334</u></b>	<b>\$ <u>183,595</u></b>

*The accompanying notes for part of these financial statements.*



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2015**

	2015	2014
	NOTE	
	\$	\$
<b><u>EQUITY</u></b>		
Accumulated Surplus	\$ 207,334	\$ 183,595
REPRESENTED BY		
<b><u>CURRENT ASSETS</u></b>		
Cash at Bank	6 362,766	249,210
Debtors	28,387	3,850
Income Accrued	1,865	2,670
GST Receivable	1,704	15,049
Prepayments	-	1,180
<b><u>TOTAL ASSETS</u></b>	<b>394,722</b>	<b>271,959</b>
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors	7 7,472	11,131
Creditors	70,207	5,034
Unspent Project Funds	8 94,084	59,519
Provision for Holiday Pay	2,601	2,610
Prov'n for Long Service Leave	9 13,024	10,070
	<u>187,388</u>	<u>88,364</u>
<b><u>NET ASSETS</u></b>	<b>\$ 207,334</b>	<b>\$ 183,595</b>

*The accompanying notes form part of these financial statements.*



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. This financial report is a special purpose financial report prepared for use by Board and members of the association. The Board has determined that the association is not a reporting entity.
2. The financial report has been prepared on historical cost basis and does not take into account changing money values or except where stated current valuations of non-current assets. The statements are prepared on an accruals basis.
3. Provision is made in respect of the association's liability for annual and long service leave at balance date. Long service leave is accrued from an employee's start date. Leave provision is based on current wages as at reporting date, and does not include on-costs.

	2015	2014
	\$	\$

**NOTE 2 - Grants Received**

LGA of SA - Outreach Service	120,000	70,000
LGA of SA - Regional Capacity	38,305	37,225
LGA of SA - CWMS Users Group	12,500	-
LGA of SA - Mining Taskforce	10,000	-
DEWNR - EP Integrated Climate Change Agreement Program	25,000	-
SAFECOM - Emergency Management Planning	73,334	-
	\$ 279,139	\$ 107,225

**NOTE 3 - Project Income - EP Councils**

Assets Management	-	12,500
Cert IV Training	-	9,776
CWMS Users Group	15,000	-
Emergency Management Planning	33,000	-
Procurement Roadmap	-	35,000
Shared Services EBACC Project	-	29,000
Tourism Subscriptions	72,472	-
	\$ 120,472	\$ 86,276



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2015**

	2015	2014
	\$	\$
<b><u>NOTE 4 - Membership Fees</u></b>		
District Council of Ceduna	14,710	14,144
District Council of Cleve	11,013	10,589
District Council of Elliston	9,331	8,972
District Council of Franklin Harbour	9,651	9,280
District Council of Kimba	9,296	8,939
Wudinna District Council	9,734	9,360
District Council of Lower Eyre Peninsula	16,533	15,897
District Council of Streaky Bay	11,297	10,863
District Council of Tumby Bay	12,438	11,960
City of Whyalla	27,473	26,416
City of Port Lincoln	19,947	19,180
	<u>\$ 151,423</u>	<u>\$ 145,600</u>
<b><u>NOTE 5 - Project Expenditure</u></b>		
Unspent Funds at 1 July	(59,519)	(32,092)
Asset & Long Term Finance Plan	-	23,954
Birdseye Memorial	-	8,000
Cert IV Group	-	600
Charter Review	-	7,901
Committee & Working Group Mtg	8,420	-
CWMS Users Group	26,451	3,595
Emergency Management Planning	87,893	205
EP Regional Statements	-	20,000
Mining Taskforce	45,032	-
One Regional Development Plan	30,000	-
Procurement Roadmap	982	70,869
RDAWEP Internal Review-301/13	-	15,000
Regional Roads Strategy	35,576	9,885
Shared Services EBACC Project	1,500	26,000
Special Local Roads	-	7,300
Prioritisation (LGTAP)	72,472	-
Tourism Subscriptions	94,085	59,519
	<u>\$ 342,892</u>	<u>\$ 220,736</u>
<b><u>NOTE 6 - Cash at Bank</u></b>		
BankSA Society Cheque Account	138,916	34,955
Bendigo Bank Term Deposit	147,438	142,691
LGFA	67,765	63,174
LGFA - Cores EP	8,647	8,390
	<u>\$ 362,766</u>	<u>\$ 249,210</u>



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2015**

	2015	2014
	\$	\$
<b><u>NOTE 7 - Sundry Creditors</u></b>		
PAYG Withheld	6,290	8,652
Superannuation	1,182	1,181
WorkCover	-	1,298
	<u>\$ 7,472</u>	<u>\$ 11,131</u>
<b><u>NOTE 8 - Unspent Project Funds</u></b>		
Regional Capacity Building	10,438	16,129
Cores - EP	8,646	8,390
Outreach Service	50,000	35,000
EP Integrated Climate Change Agreement Program	25,000	-
	<u>\$ 94,084</u>	<u>\$ 59,519</u>
<b><u>NOTE 9 - Prov'n for Long Service Leave</u></b>		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt. Association	6,462	3,508
	<u>\$ 13,024</u>	<u>\$ 10,070</u>



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

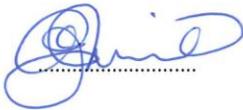
**BOARD CERTIFICATE**

The Board have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board of the association declares that:

- 1 the financial statements and notes present fairly the association's financial position as at 30th June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board:

signed		
position	<u>PRESIDENT</u>	<u>EXECUTIVE OFFICER</u>

Dated this 9 day of September 2015



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

4 Tasman Terrace, PO Box 2180  
Port Lincoln, SA 5606  
Telephone: (08) 8682 1899  
Facsimile: (08) 8682 1408  
Email: gpk@gpk.com.au  
ABN 64 945 523 972  
ACN 007 909 382

To the members of Eyre Peninsula Local Government Association,

*Report on the financial report*

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30<sup>th</sup> June 2015.

*The responsibility of the members of the Board for the financial report*

The members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Local Government Act 1999 and are appropriate to meet the needs of the members. The Board's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting responsibilities under the Local Government Act 1999. We

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disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Auditor's opinion*

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30<sup>th</sup> June 2015.

**Gill Penfold Kelly Pty Ltd**

Gregory S Nicholls  
19<sup>th</sup> August 2015  
4 Tasman Terrace, Port Lincoln SA 5606