

**District Council
of Elliston**

**Annual
Report
2015/2016**

Vision:

*“Continuing to foster our
community in a financially
sustainable manner.”*



District Council of Elliston Boundary Map



Council Boundary - Source: Google Maps



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INTRODUCTION

Every year Council prepares an Annual Report for two reasons:

- It is a legal requirement prescribed by Section 131 of the *Local Government Act 1999* (**the Act**); and, more importantly
- It gives Council the chance to comprehensively inform the community, other governments and our partner organisations of our operations, activities and achievements for the financial year under review.

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 providing essential services to a remote rural area.

The Annual Report 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 continually monitoring of Council's own financial and operational performance.

THE AREA IN FOCUS

The District Council of Elliston is located on the western 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.

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 Muringa. 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 1,309 rateable properties and approximately 1,140km of unsealed roads. It covers an area of 669,300 hectares and is approximately 700 kilometres from Adelaide.

CHAIRMAN'S REPORT

As I write this, in November 2016, the coastal areas of the District are still recovering from the 'Super Storm'. With over 130 kilometres of coastline, the District's coast was particularly hit hard by this weather event. There was extensive damage to Council coastal facilities from the 'Super Storm', including damage to some of our most important tourism infrastructure.

Some of the District's most notable landmarks, like the Elliston and Venus Bay Jetties, which are owned by the State Government, are likely to take months to repair. The State Governments' Department of Planning, Transport and Infrastructure and the Department of Environment and Heritage are working closely with Council staff and our insurers to progress repairs.

November 2016 was to set to mark the opening of the Elliston Coastal Trail. Unfortunately, the 'Super Storm' has delayed the opening indefinitely, as work progresses to repair those parts of the Trail damaged by the storm.

The Elliston Coastal Trail, a 14 km \$1.8 million walking trail along Waterloo Bay from the Little Bay cliffs to the cliffs atop Cape Finniss has been the greatest challenge and undertaking this Council has faced for a decade.

After a lengthy design and consultation phase, the Council was disappointed to receive only one tender for the construction of the Trail, and was faced with the prospect of abandoning three years' work when negotiations over price failed with that sole tenderer.

Rather than abandon such an important project, in November 2015 Council decided to project manage the construction of the Trail itself. This fulfilled the dual ambition of constructing the Trail and also building community and Council capacity by offering training and work to locals and smaller contractors on the Eyre Peninsula where they were available. Council estimates that 40-50 people worked on the Project over the course of the construction phase.

The Coastal Trail Project illustrates the difficulties that a small regional Council confronts in taking on major projects – even with significant financial support from other levels of Government. The tyranny of distance adds significantly to the cost of materials and expertise. This is compounded by a limited number of contractors with the necessary expertise who were willing to even tender for a job as distant from Adelaide as Elliston.

On behalf of the District Council of Elliston community, I acknowledge and thank the Commonwealth Government's Department of Infrastructure and Regional Development, the South Australian Government's Department of Planning, Transport and Infrastructure and the Eyre Peninsula Natural Resources Management Board for their financial support of the Elliston Coastal Trail Project.

Other significant Council projects for the 2015/2016 Financial Year included:

- Reviewing and re-making Council's Strategic Plan 2016/17 – 2020/21, which sets out our priorities and targets for the next five years;
- Securing funding, in conjunction with Wudinna District Council, for the sealing of the Mount Wedge-Kyancutta Road over the next two financial years;
- Campaigning to improve telecommunications to Elliston and surrounding districts, with a media campaign during the Federal election in May and June 2016 that attracted widespread community support and media coverage;
- Continued work towards the modernisation of Council's Coastal Development Plan Amendment, with Council's planner progressing to the stage of consultation with those residents (coastal property owners) who will be most affected. The results of those consultations will be incorporated into a draft Plan that will go through wider public consultation if Council decides to progress to that stage.

Two staff have moved on from Council this year, who will be greatly missed.

The year commenced with the Council's General Manager, Chris Davey, leaving Council for a new role at the Port Pirie Regional Council. Chris' contribution to the whole District is reflected in the esteem with which he was held by the Elected Members across the District. Chris took on the role of managing all staff in early 2013, and I know from those that worked with him that his presence around the place is missed.

Willy Brooks retired after years of grading roads in the District and being an active volunteer when his skills were required by sporting and community groups.

Council was joined by Arthur Johnstone in the role of Operations Manager. Arthur most recently worked in a similar role for King Island Council.

Council also welcomed Charlie Ashman, who is part of the Regional Youth Traineeship program funded by Regions SA. Charlie is based at the Lock Depot and is working towards a Certificate III in Construction and Training.

Finally on staffing matters, the senior organisational structure of the Council was changed following Chris Davey's departure and the need to share the duties of managing staff that he previously undertook.

Karen Quinn has been elevated to the new position of Manager Finance and George Karzis to the new position of Manager Corporate and Community, and Tim Mills has moved into the new position of Senior Operations Officer.

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

One of our most important strategic priorities over the next two (2) years will be to review the services we provide and how we go about providing them to keep focused on making more with less.

The 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.

A handwritten signature in blue ink, consisting of several overlapping loops and a long, sweeping tail that extends towards the top right of the page.

Cr Kym Callaghan
Chairman

THE COUNCIL

DECISION MAKING STRUCTURE

Council has a simple decision-making that has been adopted to reflect the small size of the organisation, while still ensuring that we are open, accountable and transparent in the conduct our business with communities, businesses, other tiers of government and staff.

The duly constituted Council Meeting of Elected Members is ultimately responsible for the significant decisions that determine the direction of Council.

Council also has two Committees (established by law which are common to all councils in South Australia) that exercise decision-making and/or advisory functions:

- Council Development Assessment Panel – the Panel determines planning applications which do not automatically comply with Council's Development Plan.
- Council Audit Committee – The audit committee provides an important independent role between a Council and its management and between Council and its community. One of the primary roles of the Committee is to provide suggestions and recommendations to Council and/or management about actions to enhance financial governance.



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 Werchowski.

STRATEGIC PLAN 2016/17 - 2020/21

Council must review its suite of Strategic Plans under Section 122(4) of the *Local Government Act 1999*, ensuring that our key directions and strategies are aligned with the needs of our communities, capable of being achieved with our resources, and ensuring we are legally compliant.

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 information.

Council commenced a review of its previous Strategic Plan 2012 – 2017 "Moving Toward 2017" in late 2015. The development of the new Plan was conducted in association with reviews of Council's Long Term Financial Plan and Asset Management Plan, and informed by two other reviews: a Rating Review and a Waste Management Service Level Review.

In preparing the Strategic Plan, high regard has been given to Council's commitment to achieve a financially sustainable position in the medium to longer term (as described in the Long Term Financial Plan) and the challenge of maintaining Council's assets as set out in the Asset Management Plan.

The Strategic Plan also took into account the results of a Community Survey, consultation with key regional stakeholders, and public consultation on a Draft Plan.

The purpose of the community survey was to seek our community's views about the work Council was doing and your views about what we should be doing, and what we could do better. The results informed the review and development of Council's Strategic Plan.

72 responses (about a 10% response) were received. This represents a good response rate.

The Strategic Plan highlights those areas where the Council will be focusing its attention over the next five years. The principal areas of strategic focus for the Council over the planning period are:

- Improving Council's financial position
- Stronger commitment to improved asset management
- Aligning Council's efforts to provide more efficient and effective core services
- Continuing to seek opportunities to work more closely with its community, the neighbouring and the other regional Councils and organisation
- Adopting a more regional perspective to its business.

In tackling these strategic priorities it must be recognised that the Council has limited financial and human resources. Therefore Council needs to be innovative and the same time patient as it takes on the various challenges.

The Strategic Plan sets out 5 key strategic objectives:

<p>1. Our Economy</p>	<p><i>To actively encourage, support and promote opportunities to increase the prosperity and sustainable growth of the community.</i></p>
<p>2. Our Infrastructure</p>	<p><i>To effectively and efficiently manage and improve our community infrastructure.</i></p>
<p>3. Our Environment</p>	<p><i>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</i></p>
<p>4. Our Community Services</p>	<p><i>To deliver a high standard of essential community services and show leadership in developing positive community spirit.</i></p>
<p>5. Our leadership and Governance</p>	<p><i>To provide progressive leadership and good governance which encourages confidence of the community in the Council, and conduct our business in a financially responsible manner.</i></p>

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.

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. 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 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 five (5) years.

The Strategic Plan reflects Council's commitment to the District's communities with its five Key Strategic Objectives.

The Objectives underpinning these goals are supported by Council's functional service areas, Infrastructure and Environmental Services, Finance, and Corporate and Community 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.

COMMUNITY BENEFIT FUND

During the 2015/2016 Financial Year, Council allocated funds totaling \$21,446, as detailed below.

Community Benefit Fund Distribution

Recipient Name	Funds Provision / Purpose	Running Total (\$)
Elliston RSL Memorial Community Centre	Running Costs	\$3,053
Elliston CWA	Floor Cover and Chairs	\$4,216
Sheringa Hall Incorporated	Christmas Tree Donation	\$500
Sheringa Hall Incorporated	Sheringa Cricket Match Sponsorship	\$1,500
Port Kenny Sports Centre	Refurbish Ceiling	\$10,000
Elliston Sports Centre	Defibrillator	\$2,177
TOTAL		\$21,446



Lock Football Club Centenary Celebrations – 2016 Community Event of the Year

INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

CAPITAL WORKS PROGRAMME FOR 2015/2016

Description	Total
Projects	
Council Houses Upgrade	\$60,505
Office Toilets Upgrade	\$21,900
District Welcome Signs	\$10,473
Council Chamber Projector Upgrade	\$3,804
Elliston Jetty Shelter	\$16,872
Elliston Council Office Phone System	\$11,165
VB Playground Barbecue	\$3,378
Elliston Coastal Trail	\$120,3816
Pressure Cleaner	\$4,067
Formation of East Tce, Bramfield	\$7,648
Unsealed Roads	
Hambidge Drive, from Zerk Road to Ridgeway Road	\$67,912
McLachlan Way	\$350,609
Sieberts Road	\$100,026
Siviour Road	\$74,348
Ucontichie Road	\$119,181
Barwell Road	\$146,939
Dog Fence Road	\$49,111
Fuss Road	\$17,273
Resealed Roads	
Kyancutta Road	\$555,033
Surface – Hawson Street	\$11,091
Surface – Starke Street	\$14,392
Surface – Terre Street	\$764
Surface Palkagee Street	\$13,297
Surface – Locks Well Road	\$27,915
Surface – Silo Road	\$9,223
Surface – Cheetina Terrace	\$7,919
Surface – Beach Terrace	\$10,110
Footpaths	
Memorial Drive, Elliston	\$21,342
Dearman Street, Lock	\$33,037
Matson Terrace, venus Bay	\$11,901
Plant & Machinery	
4WD Dual cab	\$72,100
Truck & Skid Steer Combo Unit	\$68,497
Linemarker	\$17,125
Mack Truck	\$43,636
TOTAL WORKS	\$3,186,409

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 houses 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, Venus Bay 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 various recovery centres.

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 a contract for the collection of putrescibles waste, collection of recyclables. Putrescibles are collected weekly in the townships of Elliston, Lock, Venus Bay and Port Kenny and also at the designated bin banks.

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.



ENVIRONMENTAL SERVICES

DEVELOPMENT APPLICATIONS 2015/16

During 2015/16 there were twenty-five (25) New Development Applications and four new Wastewater Applications.

Development Applications:

- Lodged Development Applications – 25
- Lodged Waste Water Applications – 4

Development Approvals/Refusals:

- Development Applications (Full Approval) – 16
- Development Applications (Planning only Approval) – 1
- Development Applications Refused - 0

Of the Approved Applications there were:

- 1 Class 1a Development (Dwelling)
- 12 Class 10a Developments, 1 was a Class 10b Development and 2 were class 10a and 10b developments – verandahs, Garages and Domestic Sheds
- 1 Class 7 Development - Viterra's additional grain storage bunkers at Lock.

Value of Approved Applications:

- Class 1a (Dwelling only) - \$150,000
- Class 10a - \$395,610
- Class 10b Development - \$33,240
- Class 10a & 10b Developments - \$223,669
- Class 7 Development - \$285,000

Total Value of Approved Applications: \$1,087,519

Wastewater Applications:

- Lodged Wastewater Application – 4

Wastewater Applications Approved/Refused:

- Approved - 2
- Refused – 0

Land Division Applications

- Lodged Land Divisions – 2

Land Division Applications Approved/Refused:

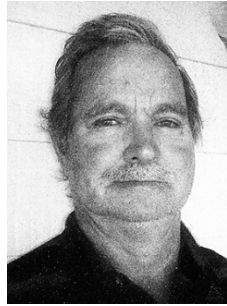
- Approved – 1
- Refused - 0

ELECTED MEMBERS



CHAIRMAN

Kym Callaghan
PMB 4
PT LINCOLN SA
5670
Ph. 8687 8715



**DEPUTY
CHAIRMAN**

Dave Allchurch
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COUNCILLOR

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COUNCILLOR

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COUNCILLOR

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COUNCILLOR

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ALLOWANCES AND BENEFITS FOR MEMBERS OF COUNCIL

Elected Members Allowance Register			
Classification	1 Councillor	1 Councillor	6 Councillors
Stream	Chairman	Deputy Chairman	
Annual Allowance	\$22,969	\$7,178	\$5,742
Reimbursements	\$1,116.48 Travel \$350.00 Internet	Out of Pocket expenses	Out of Pocket expenses and travel
	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.

For the 2015/16 Financial Year, there were no CDAP meetings held.

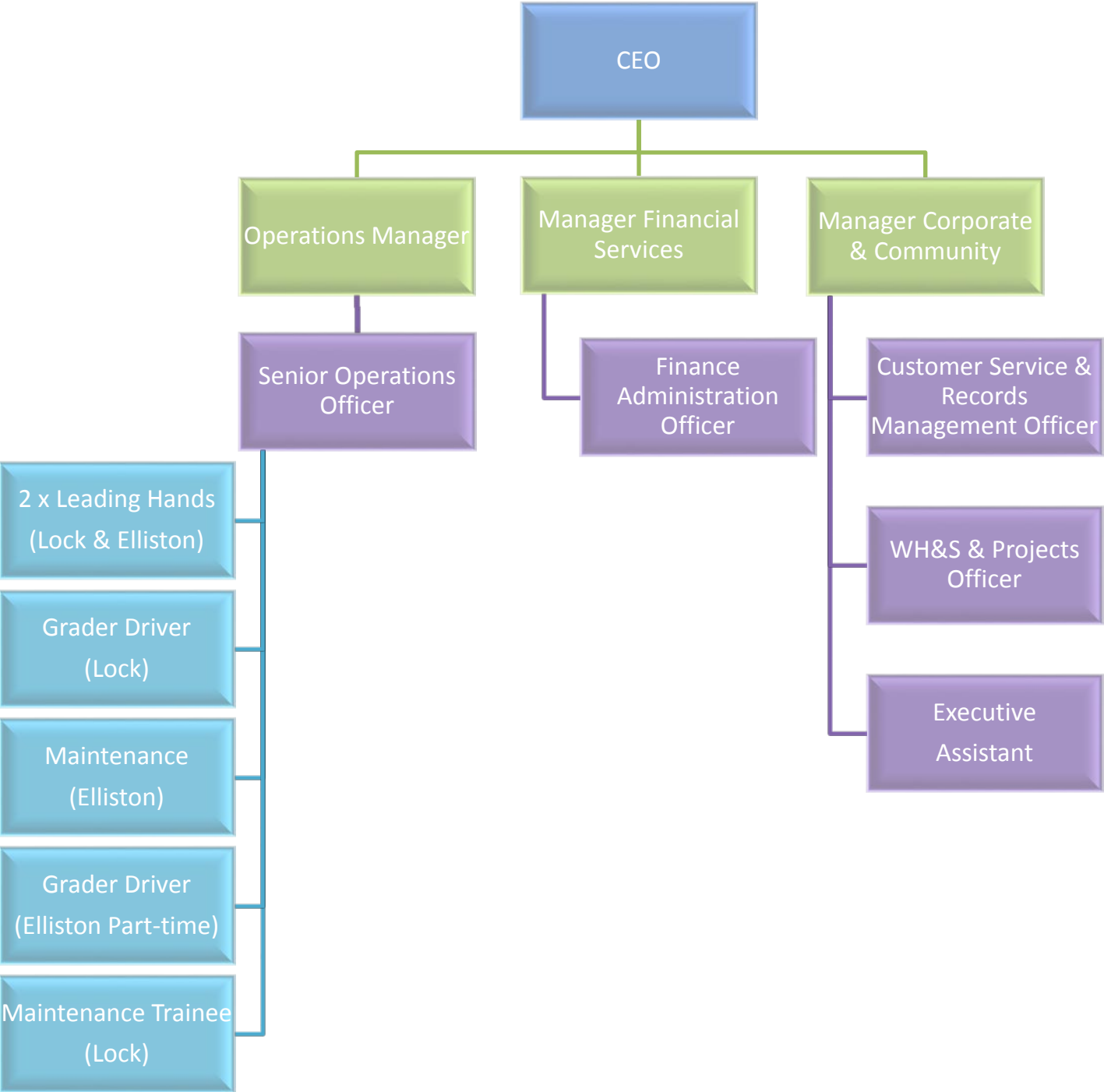
Member	Total fees & expenses paid for financial year
Dave Allchurch	Nil
Fred Benes	Nil
Ryan Donovan	Nil
Rosa Gagetti	Nil
Kingsley Holman	Nil
Tim Kierse	Nil
Tony Leonard	Nil
Jill Leonard	Nil
Michael Werchiwski	Nil

ELECTED MEMBER TRAINING AND DEVELOPMENT

Training was conducted in:

- Conflict of Interest Training
- Planning Reform Seminar
- LGA President's Forum
- Council Members Forum
- EPLGA Conference - Ceduna
- LGA Showcase and Ordinary Meeting
- LGA AGM and Conference
- LGA Roads Conference
- EPLGA Meeting – Wudinna
- EPLGA Special Meeting - Wudinna

ORGANISATIONAL STRUCTURE



MANAGEMENT AND STAFFING

SENIOR EXECUTIVE OFFICERS

At the beginning of the financial year, the District Council's organisational structure provided the following salary packages

- Chief Executive Officer – remuneration package of approximately \$169,825
- Operations Manager - remuneration package of approximately \$123,306
- Manager of Financial Services - remuneration package of approximately \$89,480
- Manager Corporate and Community - remuneration package of approximately \$109,503.

Packages may include salary, superannuation, 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 2016 the District Council had a total of 14 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	3	1
Administrative Services - General	-	3
Infrastructure and Environmental Services	1	-
Finance	-	.5
Total Office Employees	4	4.5
Construction, Maintenance, Parks, Gardens & Reserves	5.5	-
TOTAL DEPOT EMPLOYEES	4.5	-
TOTAL EMPLOYEES	9.5	4.5

A range of training courses have been provided to all staff, the majority of the training for outdoor staff was provided by TAFE through the fee free initiative to rural areas. Training this year included:

- Front End Loader
- Skid Steer
- Workzone Traffic Management
- I-Responda
- Tag and Testing
- Construction Industry White Card
- Dog and Cat Management Refresher Training (Authorised Officers)
- Senior First Aid
- Fire Prevention Officer
- Records Management Classification and Disposal Schedule
- Audit Committees
- Planning Reform
- Injury Management, Rehabilitation and Return to Work for Managers and Supervisors
- Whistleblowers – Fraud and Corruption Reporting
- Quality Service Provision Customer Service Exceeding Expectations.
- Policy Writing
- Debt Collection

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 2016, pursuant to Section 131 of the *Local Government Act 1999*, is included as part of this report.

Council returned an operating surplus for the 2015/2016 financial year of \$134,548.

OPERATING INCOME

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

Revenue includes \$1,757,693 in 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 \$446,266 on new and upgrading assets.

NON-CURRENT ASSETS

The Non-Current Assets of Council are significant and include financial assets, land, buildings and other infrastructure, road infrastructure, plant and equipment, furniture and fittings and CWMS. Non-Current Assets are valued at \$39,488,092.

FINANCIAL SUSTAINABILITY

Note 15 of the General Purpose Financial Report for the financial year ending 30 June 2016 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 was 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 IT Vision software to manage its records including its financial functions, from which budget and actual performance may be reported and analysed.

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 -

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 –

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 -

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 –

Annual Business Plan and Budget Policy*

Asbestos Policy*

Asset Accounting and Asset Capitalisation Policy*

Australia Day 2011 – Policy and Nomination Form*

Authorisation for Weed Control on Road Reserves

Policy* Caretaker Policy*

CDAP Policy*

Code of Conduct for Employees Policy

Code of Conduct for Council Members

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

Community Grants Policy*

Complaints Policy*

Consultation and Communication Policy*

Contractor Management Policy*

Control of Election Signs Policy*

Council Cars and Light Commercial Vehicles Policy*

Council Representatives on Outside Bodies*

Development of Roads on Reserves Policy*

Elected Member Allowances and Support Policy*

Elected Member Training and Development Policy*

Emergency Management Policy*

Event Safety Risk Assessment and Event Management Plan*

Fire Prevention Policy*

Flag Flying Policy*

Footpath Policy*

Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers*

Hazardous Work Policy*

Informal Gatherings 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*

Procurement and Asset Disposal Policy

Project Management*

Prudential Management Policy

Public Consultation Policy*

Rate Rebate Policy*

Rating Policy*

Records Management Policy*

Request for Services Policy*

Request for Services Procedure*

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*

WHS Administration Policy*

WHS and Injury Management*

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 (FOI Act)*.

The 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.
- No application were received for the 2015/2016 Financial Year.

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 2015/2016 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.

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.

Council did not to invoke Section 90(2) during the 2015/2016 Financial Year.

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 Local Government relations.

On 31 May 2012 the Minister for 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 Council's composition.

ELECTORAL REPRESENTATION QUOTA

Council	Representation Ratio	Voters Roll	No. Of Reps.
Elliston	1:91	729	8
Wudinna	1:121	847	7
Kimba	1:109	768	7
Cleve	1:157	1263	8
Franklin Harbour	1:155	934	6
Streaky Bay	1:190	1523	8

THE ABOVE INFORMATION, COMPARING COUNCILS CLASSIFIED AS RURAL AGRICULTURAL SMALL HAVE BEEN PROVIDED BY THE ELECTORAL COMMISSION SA VIA THE LOCAL GOVERNMENT ASSOCIATION AS AT 29 FEBRUARY 2016.

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

Electors may initiate submissions to the Minister for Local Government for changes to Council Boundaries under Section 28 of the *Local Government Act 1999*.

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

Council's Corporate and Community Services area undertakes a range of Council functions from staffing the office to supporting the CEO in his work.

At the time of writing, the Team is celebrating the announcement of two pregnancies - in a three member team. The maternity transition arrangements in such a small team will be the focus of attention in the short term. The recent recruitment of a casual customer service officer pool to undertake reception duties could not have come at a better time!

Our best wishes to Sophie and Josh, and Lucy and Luke, during the course of the pregnancies and for a safe and trouble-free birth.

The following gives a breakdown of some of the work undertaken within the corporate and community services sector in 2015/16.

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 last 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.

The 'bedding-down' of such a significant change, which affected all of Council's operations, was a time-consuming process that demanded a lot from staff.

The deployment of other software modules such as Customer Service and Records Management modules has not yet been finalised, and further assessments are presently being conducted into the use of these applications by other Council's using the same software systems to expedite the ease of adoption.

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 is an important function of Council. Council has a legal obligation under the *State Records Act 1997* to ensure official records in its custody are maintained in good order and condition. In order to meet any legal, evidential, fiscal, accountability and legislative requirements, an effective Records Management system assists Council to reach compliance. 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, 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 various standards and guidelines issued by State Records.



RISK & WORK HEALTH SAFETY REPORT 2015/2016

RISK

Risk is defined in the Australian Standard as the effect of uncertainty on objectives.

Risk is commonly viewed as a threat to an organisation – a focus on what can go wrong. It is also an opportunity for an organisation – to review and update its systems, processes or the skills of its workers to manage work better and to improve efficiency, and ultimately produce better outcomes.

Over the past two years, Council has been focused on improving two areas of functional risk that are essential to our good governance and our duties as an employer: the finance system which govern our financial planning, rating, property, dog registrations and expenditures; and our Work Health and Safety system. Progress in both those areas has been excellent - see below for more information about Council's Work Health and Safety achievements.

The upcoming year will see more of a focus on strategic risk, with a new Risk Management Policy and Risk Management Framework to be adopted, as well as a Business Continuity Plan, and a greater focus on governance risk.

WORK HEALTH SAFETY

Work Health Safety is essential for a safe working environment for employees and a safe community for residents and visitors.

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 checks for its employees which includes heart health, healthy 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 staff report any hazards or near misses and accidents or incidents so that Council can review its procedures and implement any changes to Risk Assessments, Safe Work Instructions or Safe Work Method Statements, to minimise or preferably eliminate work place hazards.

Council continues to build upon its work health and safety management system to ensure legislative compliance and to protect its employees, contractors and others from harm. Key achievements for the past year include:

- development and implementation of a more robust contractor management system,
- identification, assessment and progress towards more effective management of high risk work activities

Objectives for 2017 include implementation of hazard and incident reporting software as well as development of Business Continuity and Workplace Emergency Response Plans.

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

Council continues to ensure it maintains a high standard in the area of WHS and 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, hazard identification and management, training and accident or incidents both internally and in the community.

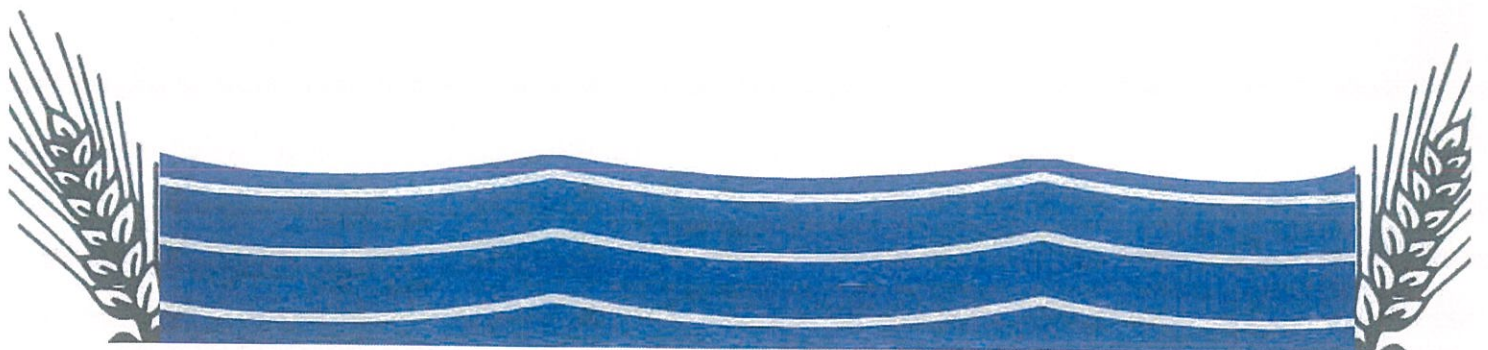
PUBLIC SAFETY

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.



DISTRICT COUNCIL OF ELLISTON

**General Purpose Financial Reports
For the year ended 30 June 2016**



DISTRICT COUNCIL OF ELLISTON
General Purpose Financial Reports
for the year ended 30 June 2016

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DISTRICT COUNCIL OF ELLISTON
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2016

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 2016 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: 11 November 2016

DISTRICT COUNCIL OF ELLISTON
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Rates	2	2,116,447	2,057,606
Statutory charges	2	15,939	15,935
User charges	2	51,933	74,003
Grants, subsidies and contributions	2	1,757,693	2,046,551
Investment income	2	53,665	73,220
Reimbursements	2	26,233	24,959
Other income	2	64,949	31,756
Total Income		<u>4,086,859</u>	<u>4,324,030</u>
EXPENSES			
Employee costs	3	1,195,000	1,111,558
Materials, contracts & other expenses	3	1,585,879	1,904,015
Depreciation, amortisation & impairment	3	1,171,432	1,113,938
Total Expenses		<u>3,952,311</u>	<u>4,129,512</u>
OPERATING SURPLUS / (DEFICIT)		134,548	194,519
Asset disposal & fair value adjustments	4	(13,568)	(9,533)
Amounts received specifically for new or upgraded assets	2	446,266	108,338
NET SURPLUS / (DEFICIT)		<u>567,246</u>	<u>293,324</u>
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	721,076	-
Impairment (expense) / recoupments offset to asset revaluation reserve	9	(229,189)	-
Total Other Comprehensive Income		<u>491,887</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>1,059,133</u>	<u>293,324</u>

DISTRICT COUNCIL OF ELLISTON
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

ASSETS	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	5	2,321,625	2,677,361
Trade & other receivables	5	433,289	284,995
Inventories	5	73,267	11,247
Total Current Assets		<u>2,828,181</u>	<u>2,973,603</u>
Non-current Assets			
Financial assets	6	3,375	10,338
Infrastructure, property, plant & equipment	7	39,488,092	37,021,969
Total Non-current Assets		<u>39,491,467</u>	<u>37,032,307</u>
Total Assets		<u>42,319,648</u>	<u>40,005,910</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,408,017	149,551
Provisions	8	92,438	105,256
Total Current Liabilities		<u>1,500,455</u>	<u>254,807</u>
Non-current Liabilities			
Provisions	8	15,028	6,070
Total Non-current Liabilities		<u>15,028</u>	<u>6,070</u>
Total Liabilities		<u>1,515,483</u>	<u>260,877</u>
NET ASSETS		<u>40,804,165</u>	<u>39,745,033</u>
EQUITY			
Accumulated Surplus		8,353,275	7,338,548
Asset Revaluation Reserves	9	32,037,163	31,545,276
Other Reserves	9	413,726	861,208
TOTAL EQUITY		<u>40,804,164</u>	<u>39,745,032</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 2016

2016	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
	\$	\$	\$	\$
Balance at end of previous reporting period	7,338,548	31,545,276	861,209	39,745,033
Restated opening balance	7,338,548	31,545,276	861,209	39,745,033
Net Surplus / (Deficit) for Year	567,246	-	-	567,246
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment	-	721,076	-	721,076
Impairment (expense) / recoupments offset to asset revaluation reserve	-	(229,189)	-	(229,189)
Transfers between reserves	447,483	-	(447,483)	-
Balance at end of period	8,353,275	32,037,163	413,726	40,804,164
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
Net Surplus / (Deficit) for Year	293,324	-	-	293,324
Balance at end of period	7,338,548	31,545,276	861,209	39,745,033

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 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		2,113,437	2,029,984
Fees & other charges		17,205	16,732
User charges		57,126	86,697
Investment receipts		56,564	77,399
Grants utilised for operating purposes		1,889,520	2,052,541
Reimbursements		28,856	26,207
Other revenues		268,323	253,320
<u>Payments</u>			
Employee costs		(1,194,252)	(1,088,615)
Materials, contracts & other expenses		<u>(895,727)</u>	<u>(2,300,717)</u>
Net Cash provided by (or used in) Operating Activities	11	2,350,480	1,153,548
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		446,266	108,338
Sale of replaced assets		54,768	97,851
Repayments of loans by community groups		6,754	6,552
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,613,033)	(1,296,219)
Expenditure on new/upgraded assets		<u>(1,600,971)</u>	<u>(183,362)</u>
Net Cash provided by (or used in) Investing Activities		(2,706,216)	(1,266,840)
 Net Increase (Decrease) in cash held		 <u>(355,736)</u>	 <u>(113,292)</u>
Cash & cash equivalents at beginning of period	11	<u>2,677,361</u>	<u>2,790,653</u>
Cash & cash equivalents at end of period	11	<u>2,321,625</u>	<u>2,677,361</u>

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 2016

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.

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

	Cash Payment Received	Annual Allocation	Difference	
2013/14	\$704,651	\$1,141,560	-	\$436,909
2014/15	\$1,748,648	\$1,146,061	+	\$602,587
2015/16	\$531,583	\$1,134,170	-	\$602,587

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

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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

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.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

6.4 Depreciation of Non-Current Assets

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

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

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

6.5 Impairment

Assets 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.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

9 Leases

Lease arrangements have been accounted for in accordance with 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.

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 2016 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 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(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.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 2 - INCOME

	2016	2015
	\$	\$
RATES REVENUES		
<u>General Rates</u>	1,799,986	1,746,390
Less: Mandatory rebates	(17,055)	(16,969)
Less: Discretionary rebates, remissions & write offs	(24,752)	(21,458)
	<u>1,758,179</u>	<u>1,707,963</u>
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	69,691	64,944
Waste collection	234,366	228,674
Water supply	8,112	7,904
Community wastewater management systems	34,884	34,402
	<u>347,053</u>	<u>335,924</u>
<u>Other Charges</u>		
Penalties for late payment	11,215	13,719
	<u>11,215</u>	<u>13,719</u>
	<u>2,116,447</u>	<u>2,057,606</u>
 STATUTORY CHARGES		
Development Act fees	914	6,206
Town planning fees	5,935	2,374
Health & Septic Tank Inspection fees	389	-
Animal registration fees & fines	5,624	5,362
Search fees	2,599	1,992
Other licences, fees, & fines	478	-
	<u>15,939</u>	<u>15,935</u>
 USER CHARGES		
Cemetery/crematoria fees	651	2,564
House rental	-	7,800
Caravan park income	30,185	30,291
Camping fees	15,200	15,293
Water	4,578	8,645
Waste	1,080	1,710
Licence income	-	514
Sundry	239	7,186
	<u>51,933</u>	<u>74,003</u>
 INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	53,005	72,204
Banks & other	213	1,016
Loans to community groups	447	-
	<u>53,665</u>	<u>73,220</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

NOTE 2 - INCOME (continued)

	2016	2015
	\$	\$
REIMBURSEMENTS		
- for private works	11,674	5,842
- other	14,559	19,117
	26,233	24,959
 OTHER INCOME		
Rebates received	12,816	31,625
Sundry	52,133	131
	64,949	31,756
 GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	446,266	108,338
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	534,771	1,748,648
Roads to Recovery	1,203,615	293,080
Community Services	4,307	2,000
Regulatory	-	2,823
Recreation	15,000	-
	1,757,693	2,046,551
	2,203,959	2,154,889

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

Sources of grants

Commonwealth government	1,649,881	293,080
State government	554,078	1,753,471
Other	-	108,338
	2,203,959	2,154,889

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.	-	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 2016

Note 3 - EXPENSES

	Notes	2016 \$	2015 \$
EMPLOYEE COSTS			
Salaries and Wages		1,001,194	888,129
Employee leave expense		112,109	96,395
Superannuation - defined contribution plan contributions	18	88,934	71,483
Superannuation - defined benefit plan contributions	18	6,700	20,892
Workers' Compensation Insurance		56,642	88,138
Less: Capitalised and distributed costs		<u>(70,579)</u>	<u>(53,480)</u>
Total Operating Employee Costs		<u>1,195,000</u>	<u>1,111,558</u>
 <i>Total Number of Employees</i>		 13	 13
		<i>(Full time equivalent at end of reporting period)</i>	
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		15,500	10,096
Bad and Doubtful Debts		1,542	-
Elected members' expenses		78,372	69,609
Election expenses		2,308	3,768
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments	17	<u>17,611</u>	<u>1,468</u>
Subtotal - Prescribed Expenses		<u>115,333</u>	<u>84,941</u>
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		298,729	401,001
Contractors - waste and recycling		200,813	303,222
Contractors - plant repairs and maintenance		59,962	48,317
Contractors - professional services		126,602	158,428
Contractors - IT services		138,726	175,793
Contractors - Capital Projects		2,664,169	728,209
Registration and insurance		155,351	201,335
Electricity		35,905	43,607
Travel		31,718	17,011
Telephone		26,290	14,162
Legal Expenses		3,229	27,706
Levies paid to government - NRM levy		66,686	65,089
- Other Levies		16,445	16,449
Materials - Operating		171,705	156,903
Materials - Capital Projects		460,279	655,103
Other Expenses - Capital Projects		12,740	-
Water		20,111	15,869
Advertising		21,434	12,192
Sundry - tourism		50,396	-
Sundry		46,444	219,583
Less: Capitalised and distributed costs		<u>(3,137,188)</u>	<u>(1,440,904)</u>
Subtotal - Other Materials, Contracts & Expenses		<u>1,470,546</u>	<u>1,819,074</u>
		<u>1,585,879</u>	<u>1,904,015</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 3 - EXPENSES (cont)

	Notes	2016 \$	2015 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		107,780	120,736
Road Infrastructure		762,394	784,412
Other Assets		39,788	31,965
Plant & Equipment		179,781	135,148
Furniture & Fittings		44,254	18,659
Other Infrastructure		25,161	23,018
CWMS		12,274	-
		<u>1,171,432</u>	<u>1,113,938</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2016	2015
	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	54,768	97,851
Less: Carrying amount of assets sold	<u>68,336</u>	<u>107,384</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(13,568)</u>	<u>(9,533)</u>

Note 5 - CURRENT ASSETS

	2016	2015
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	521,443	98,855
Deposits at Call	<u>1,800,182</u>	<u>2,578,506</u>
	<u>2,321,625</u>	<u>2,677,361</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	165,242	162,232
Accrued Revenues	10,546	13,445
Debtors - general	74,718	35,332
Debtors Tax	175,820	67,232
Loans to community organisations	<u>6,963</u>	<u>6,754</u>
	<u>433,289</u>	<u>284,995</u>
INVENTORIES		
Stores & Materials	<u>73,267</u>	<u>11,247</u>
	<u>73,267</u>	<u>11,247</u>

Note 6 - NON-CURRENT ASSETS

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Receivables		
Loans to community organisations	<u>3,375</u>	<u>10,338</u>
	<u>3,375</u>	<u>10,338</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2015					2016					
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	10,402,209	-	-	10,402,209	10,343,707	-	-	10,343,707	-	-	10,343,707
Buildings & Other Structures	5,841,826	-	(3,931,677)	1,910,149	5,501,749	82,406	(3,616,200)	1,967,955	82,406	(3,616,200)	1,967,955
Road Infrastructure	33,283,360	-	(10,870,845)	22,412,515	32,854,984	-	(10,100,706)	22,754,278	-	(10,100,706)	22,754,278
Other Assets	986,407	-	(366,421)	619,986	-	-	-	-	-	-	-
Plant & Equipment	-	1,820,914	(1,085,852)	735,062	-	1,935,195	(1,242,824)	692,371	1,935,195	(1,242,824)	692,371
Furniture & Fittings	-	371,006	(172,026)	198,980	-	385,975	(216,279)	169,696	385,975	(216,279)	169,696
Other Infrastructure	-	1,103,963	(360,895)	743,068	-	3,625,599	(791,444)	2,834,155	3,625,599	(791,444)	2,834,155
CWMS	-	-	-	-	1,232,615	-	(506,685)	725,930	-	(506,685)	725,930
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	50,513,802	3,295,883	(16,787,716)	37,021,969	49,933,055	6,029,175	(16,474,138)	39,488,092	6,029,175	(16,474,138)	39,488,092
	46,281,544	6,355,484	(15,873,318)	36,763,710	50,513,802	3,295,883	(16,787,716)	37,021,969	3,295,883	(16,787,716)	37,021,969

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 2016

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR											2016	
	\$											\$	
	2015 CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT			
	New/Upgrade	Renewals	In				Out						
Land	10,402,209	-	-	-	-	-	-	-	(58,502)	10,343,707			
Buildings & Other Structures	1,910,149	-	82,406	-	(107,780)	-	-	-	83,180	1,967,955			
Road Infrastructure	22,412,515	315,747	1,344,337	(211,774)	(762,394)	-	-	(302,347)	(41,806)	22,754,278			
Other Assets	619,986	-	-	-	(39,788)	-	-	(580,198)	-	-			
Plant & Equipment	735,062	64,829	140,597	(68,336)	(179,781)	-	-	-	-	692,371			
Furniture & Fittings	198,980	-	14,969	-	(44,254)	-	-	-	-	169,696			
Other Infrastructure	743,068	1,220,395	30,723	(17,415)	(25,161)	-	882,545	-	-	2,834,155			
CWMS	-	-	-	-	(12,274)	-	-	-	738,204	725,930			
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	37,021,969	1,600,971	1,613,032	(297,525)	(1,171,432)	-	882,545	(882,545)	721,076	39,488,092			
<i>Comparatives</i>	<i>36,763,710</i>	<i>183,362</i>	<i>1,296,222</i>	<i>(107,384)</i>	<i>(1,113,938)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>37,021,972</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 2016

Note 7 (con't) – 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	\$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

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 7 – Property, Plant & Equipment (cont)

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	
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
Building & Other Structures	
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
Infrastructure	
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
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

Land

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.

Land was revalued as at 1 July 2015 by an independent valuer, Liquid Pacific.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2015 by an independent valuer, Liquid Pacific.

Road 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 2014 by an independent valuer, Tonkin Consulting. All acquisitions made after the respective dates of valuation are recorded at cost.

The most recent condition assessment was undertaken in 2012 and applied to the financial statements on 1 July 2012.

Condition assessments have been undertaken in the 2015-16 year by Council staff under the supervision of staff from Tonkin Consulting. Additional work is being undertaken to finalise a reprioritisation of the road hierarchy as well as an update of the standard unit rates and the inclusion of an additional sub base component that was previously not depreciated. The outputs of this work will be used to compile a revaluation to be applied to the financial statements on 1 July 2016.

Other Assets

'Other Assets' have been aggregated with 'Other Infrastructure' during the 2015-16. This involved transferring the existing assets to the other Infrastructure asset register with corresponding transfer entries made to the financial statements.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 7 – Property, Plant & Equipment (cont)

Plant & Equipment

These assets are recognised on the cost basis.

Furniture & Fittings

These assets are recognised on the cost basis.

Other Infrastructure

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.

As reported above 'Other Assets' have been aggregated with 'Other Infrastructure' during the 2015-16 year. This involved transferring the existing assets to the Other Infrastructure asset register with corresponding transfer entries made to the financial statements.

Further to this CWMS have been transferred into a separate asset register and will now be reported in the financial statements as a dedicated asset classification.

Community Wastewater Management Systems (CWMS)

CWMS assets were componentised during 2015-16 with current day values applied to these components as well as estimates of remaining useful life being made. This data collection and revaluation exercise was undertaken by Rick Gayler from Gayler Professional Services on 1 July 2016.

Due to an oversight a majority of the CWMS assets were previously not reported in the financial statements. This has now been fully rectified.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 8 - LIABILITIES

	2016		2015	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	1,316,200	-	113,724	-
Accrued expenses - employee entitlements	34,936	-	30,327	-
Accrued expenses - other	56,881	-	5,500	-
	<u>1,408,017</u>	<u>-</u>	<u>149,551</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)	92,438	15,028	105,256	6,070
	<u>92,438</u>	<u>15,028</u>	<u>105,256</u>	<u>6,070</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2015	Net Increments (Decrements)	Transfers, Impairments	30/6/2016
Notes	\$	\$	\$	\$
Land	9,581,810	(58,502)	-	9,523,308
Buildings & Other Structures	2,305,170	83,180	-	2,388,350
Road Infrastructure	19,568,269	(41,806)	(211,773)	19,314,690
Other Assets	90,027	-	(17,416)	72,611
CWMS	-	738,204	-	738,204
TOTAL	31,545,276	721,076	(229,189)	32,037,163
<i>Comparatives</i>	<i>31,545,276</i>	<i>-</i>	<i>-</i>	<i>31,545,276</i>

OTHER RESERVES	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
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	23,241	-	222,540
TV Fund	74,435	-	(74,435)	-
CWMS Reserve	122,963	68,224	-	191,187
Port Kenny Reserve	1,973	-	(1,973)	-
TOTAL OTHER RESERVES	861,210	91,465	(538,948)	413,727
<i>Comparatives</i>	<i>861,210</i>	<i>-</i>	<i>-</i>	<i>861,210</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).

Other Reserves

Waste Management Reserve - Identifies Waste Collection services charges that have not as yet been spent on Waste Services.

CWMS Reserve - Identifies CWMS services charges that have not as yet been spent on CWMS activities.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

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.

	2016	2015
CASH & FINANCIAL ASSETS	\$	\$
CWMS	128,595	126,017
Port Kenny Water Supply	<u>2,063</u>	<u>2,022</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	<u>130,658</u>	<u>128,039</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	2016	2015
		\$	\$
Total cash & equivalent assets	5	<u>2,321,625</u>	<u>2,677,361</u>
Balances per Cash Flow Statement		<u>2,321,625</u>	<u>2,677,361</u>

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

Net Surplus (Deficit)	567,246	293,324
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,171,432	1,113,938
Net increase (decrease) in unpaid employee benefits	749	22,943
Grants for capital acquisitions treated as Investing Activity	(446,266)	(108,338)
Net (Gain) Loss on Disposals	<u>13,568</u>	<u>9,533</u>
	1,306,729	1,331,400
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(148,085)	(58,800)
Net (increase) decrease in inventories	(62,020)	2,997
Net increase (decrease) in trade & other payables	<u>1,253,856</u>	<u>(122,049)</u>
Net Cash provided by (or used in) operations	<u>2,350,480</u>	<u>1,153,548</u>

(c) Financing Arrangements

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

Corporate Credit Cards	10,000	5,000
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DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

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 2016 \$	ACTUAL 2015 \$	ACTUAL 2016 \$	ACTUAL 2015 \$	ACTUAL 2016 \$	ACTUAL 2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	
Business Undertakings	89,956	121,074	33,057	34,539	56,399	86,535	-	-	352,198	332,942	
Community Services	4,543	15,553	114,275	119,399	(109,732)	(103,846)	4,307	2,000	398,892	377,083	
Culture	1,454	-	26,011	27,177	(24,557)	(27,177)	-	-	-	-	
Economic Development	-	12,813	48,291	50,456	(48,291)	(37,643)	-	-	19,037	17,996	
Environment	305,297	378,635	419,857	438,681	(114,560)	(60,046)	-	-	27,229	25,740	
Recreation	35,046	45,634	105,866	110,613	(70,820)	(64,979)	15,000	-	504,898	477,294	
Regulatory Services	13,996	29,697	36,420	38,053	(22,424)	(8,356)	-	2,823	-	-	
Transport & Communication	1,399,174	822,982	1,271,482	1,328,489	127,692	(505,507)	1,203,615	905,548	22,790,281	21,544,271	
Unclassified Activities	438,740	648,352	406,897	425,140	31,843	223,212	-	-	557,554	527,071	
Council Administration	1,798,653	2,249,289	1,490,154	1,556,963	308,499	692,326	534,771	1,136,180	17,669,559	16,703,513	
TOTALS	4,086,859	4,324,030	3,952,311	4,129,512	134,548	194,519	1,757,693	2,046,551	42,319,648	40,005,910	

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 2016

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.

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 2016

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.75% and 2% (2015: 2.5% and 3.2%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: 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>Terms & conditions: Secured over the subject land, arrears attract interest of 6% (2015: 7%) 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>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: 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>Terms & conditions: 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>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	2,321,625	-	-	2,321,625	2,321,625
Receivables	271,422	-	-	271,422	271,422
Total	2,593,047	-	-	2,593,047	2,593,047
Financial Liabilities					
Payables	1,316,200			1,316,200	1,316,200
Total	1,316,200	-	-	1,316,200	1,316,200

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	2,677,361	-	-	2,677,361	2,677,361
Receivables	133,101	-	-	133,101	133,101
Total	2,810,462	-	-	2,810,462	2,810,462
Financial Liabilities					
Payables	90,629	-	-	90,629	113,724
Total	90,629	-	-	90,629	113,724

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 14 - COMMITMENTS FOR EXPENDITURE

	2016	2015
	\$	\$
Other Expenditure Commitments		
Other non-capital expenditure commitments:		
Audit services	34,000	28,000
Remuneration contracts	<u>1,146,000</u>	<u>493,050</u>
	<u>1,180,000</u>	<u>521,050</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 15 - FINANCIAL INDICATORS

2016 2015 2014

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.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	3%	5%	(20%)
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

18% (10%) (2%)

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>	(31%)	(64%)	(81%)
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	133%	108%	94%
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.

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

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.

	2016		2015
	\$		\$
Income	4,086,859		4,324,030
<i>less</i> Expenses	<u>3,952,311</u>		<u>4,129,512</u>
Operating Surplus / (Deficit)	134,548		194,518
 <i>less</i> Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	1,613,033		1,296,219
Depreciation, Amortisation and Impairment	(1,171,432)		(1,113,938)
Proceeds from Sale of Replaced Assets	<u>(54,768)</u>		<u>(97,851)</u>
	386,833		84,430
 <i>less</i> Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,600,971		183,362
Amounts received specifically for New and Upgraded Assets	<u>(446,266)</u>		<u>(108,338)</u>
	<u>1,154,705</u>		<u>75,024</u>
Net Lending / (Borrowing) for Financial Year	<u>(1,406,990)</u>		<u>35,064</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

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:

	2016	2015
	\$	\$
Not later than one year	17,611	10,273
Later than one year and not later than 5 years	<u>31,755</u>	<u>42,561</u>
	<u>49,366</u>	<u>52,834</u>

DISTRICT COUNCIL OF ELLISTON
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

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 2015/16; 9.50% in 2014/15). 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 2014/15) 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 2016

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.

3. STORM DAMAGE

On the 28th of September the district was subjected to extreme storm damage. Significant damage was caused to many of Councils out door structures. Although Council is insured for such events there will inevitably be some costs incurred that are not recognised as liabilities as at the 30 June 2016.

INDEPENDENT AUDITOR'S 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 Comprehensive Income for the year ended 30 June 2016, the Statement of Financial Position as at 30 June 2016, the Statement of Changes in Equity for the year ended 30 June 2016, the Statement of Cash Flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the District Council of Elliston is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999 and Local Government (Financial Management) Regulations 2011*. This responsibility includes designing, implementing 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. 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 and 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 Chief Executive Officer, 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 an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and the Australian professional ethical pronouncements.

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 2016, and its financial performance and cash flows for the year then ended in accordance with *the Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



SAMANTHA ALLARD
PARTNER

Signed on the 16th day of November 2016,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE DISTRICT COUNCIL OF ELLISTON

We have audited the Internal Controls of the District Council of Elliston (the Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Inherent Limitations

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

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

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA ALLARD
PARTNER**

Signed on the 16th day of November 2016
at 214 Melbourne Street, North Adelaide, South Australia, 5006

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the District Council of Elliston for the year ended 30 June 2016, 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*.



Samantha Allard

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 16th day of November 2016

DISTRICT COUNCIL OF ELLISTON
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2016

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 2016 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

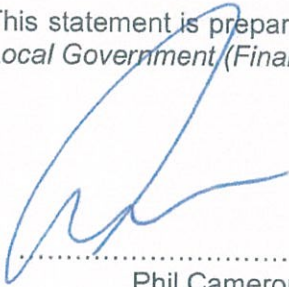
Date: 11 November 2016

DISTRICT COUNCIL OF ELLISTON
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2016


CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Elliston for the year ended 30 June 2016, the Council's Auditor, Dean Newbery & Partners, 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: 11 November 2016

District Council of Elliston Audit Committee Annual Report for 2015/2016

This report presents a summary of the District Council of Elliston Audit Committee's activities undertaken and recommendations made during the 2015/2016 financial year.

A review of the Audit Committee's Terms of Reference was conducted in July 2016.

Conduct of Meetings

The Committee met on two occasions during the period 1 July 2015 to 30 June 2016 with the following attendance:

Committee Members	Meeting Dates	
	27/10/2015	19/04/2016
Phil Channon (Chairperson & Independent Member)	✓	✓
Jill Leonard (Independent Member)	✓	✓
Cr Peter Hitchcock	✓	✓
Cr Creagh McGlasson	x	✓
Deputy Chairman Dave Allchurch	x	x

Committee note that it is required to meet a minimum of four times per year which strictly speaking was not achieved. It further notes however that a meeting was held on 16 June 2015 as well as on 14 July 2016 two weeks either side of the beginning and end of the 2015-16 financial year. Accordingly Committee believe that the intention of the four meeting requirement has been satisfied.

The Audit Committee has been restructured slightly during the 2015-16 year with the appointment of a Committee advisor who is an expert in Local Government Audit Committees. This person will ensure that:

- staff arrange for a minimum of four meetings to be held each year,
- that the Audit Committee Work Program is kept up to date and
- That the Audit Committee Work Program is consistent with the Audit Committee terms of reference as well as legislative requirements.

Audit Committee Achievements

The following table sets out the principal issues addressed by the Committee during 2015/2016:

Principal Issues Examined	Comment/Status	Recommendations to Council
Review 2014/2015 Financial Statements	Completed	That the Audit Committee advises Council that they have reviewed the Annual Financial Statements for the year ended 30 June 2015 and believe that these accounts represent a true and fair reflection of Council's financial situation and activities undertaken during this year.
Review 2014/2015 Financial Performance Report	Completed	The Committee noted the report.
Review 2015/2016 Mid-Year Budget Forecast	Completed	The Committee noted the report.

Review 2016/2017 Draft Annual Business Plan & Budget	Completed	That the Audit Committee advises Council that it has reviewed and discussed the Draft Public Consultation Annual Business Plan and Annual Budget 2016 - 2017 and believes it is consistent with Councils Strategic Management plans. Further to this assessments of the Key Financial Indicators contained in this plan indicate that Council will be operating in a financially sustainable manner for the twelve months that this plan relates to.
Review 2017-2021 Draft Strategic Management Plan, Draft 2017-2026 Long Term Financial Plan and 2017-2026 Draft Asset Management Plan	Completed	<p>1. That the Audit Committee note the draft Strategic Management Plan 2016/17 – 2020/21, draft Long Term Financial Plan 2017 – 2026 and draft Asset Management Plan 2017 – 2026.</p> <p>2. That the Audit Committee advise Council that the plans as they stand will allow council to operate in a financially sustainable manner over the next 10 years.</p> <p>3. That the Audit Committee advise Council that the development of the various work programmes identified in the Asset Management Plan be a priority for the next 12 months.</p>
Implementation of Community Loan Policy	Completed	Recommend the policy be adopted.
Implementation of Debt Recovery Policy	Completed	Recommend the policy be adopted.
Implementation of External Grant Funding Policy	Completed	Recommend the policy be adopted.
Implementation of Petty Cash Policy & Procedure	Completed	Recommend the policy be adopted.
Implementation of Treasury Management Policy	Completed	Recommend the policy be adopted.
Implementation of the Internal Financial Controls framework	Framework completed	That the Audit Committee note the finalised UHY Haines Norton report and the Internal Controls Work Program.

Elected member training

Elected member training has been undertaken on an ad hoc basis during the actual meetings in the form of advice from the recently appointed Audit Committee advisor. Information on statutory requirements and best practise in relation to the various matters covered during meetings is routinely provided to the Committee Members to ensure a full understanding of the issues they are making recommendations to Council on.

An additional item has been added to the 2016-17 Audit Committee work program to ensure appropriate formal training is available to Committee Members. This additional training supplements the ongoing 'on the job' training currently being provided.



A handwritten signature in black ink, appearing to read 'Channon', is written over a solid horizontal line. The signature is fluid and cursive.

Phil Channon

3 November 2016



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

Annual Report *2015/2016*

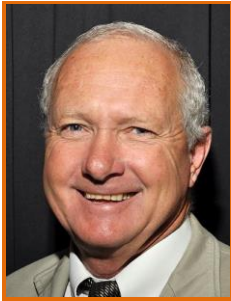




*Cover photo: Lincoln National
Park*



THE PRESIDENT'S REPORT



I commend this annual report to you.

The Eyre Peninsula Local Government Association is a regional subsidiary established under Clause 19, Part 2, Schedule 2 of the South Australian Local Government Act, 1999 to represent the interests of all Local Governments on Eyre Peninsula. All eligible Councils are members and maintain active participation.

This year's Annual Report details activities undertaken, financial accounts and collaborative partnerships.

Meetings are held quarterly with an annual conference rotated around Member Councils. The most recent conference was held at Ceduna and I thank and congratulate Ceduna Council for hosting a productive and enjoyable event.

Sadly, in June we lost former Mayor of Whyalla Jim Pollock, who passed away after having served his community as a Local Government representative with skill, compassion and vision for 19 years.

We continue to be supported by Local Government Association of South Australia via an Outreach Program that jointly, with Member Councils, supports the engagement of Executive Officer Tony Irvine. Tony continues to be well supported by Member Councils and I am pleased to report that he has agreed to provide ongoing commitment to our organisation.

Some of the highlights of 2015/2016 have been:

- Development of the working group of Council CEOs, who meet regularly and work through current issues.
- Strong working relationship with Regional Development Australia Whyalla and Eyre Peninsula Inc.
- Commissioning of a major Regional Economic Development Strategy.
- Agreement of regional roads priorities and methodologies for future works.

My view is that pressure will continue to build on Local Government to deliver more services, more efficiently. Our organisation provides a platform for reform and will play an ever increasing part in the roll-out of training, procurement, regional planning, shared service delivery and member service delivery.

I take this opportunity to thank all Member Council Delegates, the Executive Committee of Mayor Low, Mayor Telfer, Port Lincoln CEO Rob Donaldson, all management and technical Council staff, who inform and guide our decisions, and to our support staff at RDAWEP. Special mention to Executive Officer Tony Irvine, who is always responsive to Member Council requests, builds relationships with relevant bodies, represents and advocates our position, and is totally focused on delivering effective and productive Local Government in our region.

MAYOR BRUCE GREEN



THE REGION

Regional Population and Local Government

The region has eleven Local Government Authorities (LGAs). 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.

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 Council districts, which collectively occupy 43,779km² 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 ²	% 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
Collective Local Government (11 LGA's)	43,778.6	18.8	55,651	98.7

Table 1: RDAWP 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. An area of 492km² of land was transferred from Franklin Harbour to Cleve. 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

The regional population grew by 4.5% from 2001, but this was 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 DC 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. The higher population growth in DC Lower Eyre Peninsula stems from several locational and lifestyle advantages, including proximity to numerous coastal townships, Port Lincoln and Port Lincoln Airport. Kimba and Wudinna are the only Councils in the region without a coastline, and this impacts their residential 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	

Table 2: People 65 Years of Age and Over. (ABS Census 2006 & 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.

Pending Baby Boomer 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 may need to be recruited from elsewhere by 2020.



Regional Economic Snapshot

The regional economy is extremely diverse. The key industries include manufacturing, agriculture, fishing, and aquaculture; however tourism and mining are fast emerging industries with substantial potential for future growth. Industrial diversity is one of the region’s greatest attributes, and underpins its comparative advantage and business competitiveness. Diversity is important for economic growth and sustainability, because it provides resilience through not being reliant on a single industry or product for prosperity.

However, industrial diversity is not evenly spread across the region. Manufacturing and steel processing is focused in Whyalla. Agriculture is the key industry in Lower Eyre Peninsula, Tumby Bay, Cleve, Elliston, Kimba, Streaky Bay, Franklin Harbour and Wudinna. Nearly all (96%) of the region’s aquaculture jobs are provided in Port Lincoln, Lower Eyre Peninsula, Cleve, Ceduna and Franklin Harbour. Most of the region’s fishing jobs (76%) are based in Port Lincoln. Tourism activity is predominantly focussed in coastal areas. The region’s industries and economy have also changed since 2001. Agriculture has been the primary economic driver in many Council districts. However, larger farming properties, smarter management practices, and new technologies have reduced employment opportunities in agri-businesses, which saw agricultural employment decline by 16.8% between 2001 and 2011.

In the same period, employment in the health care and social assistance industry grew by 29.5%; largely due to the ageing of the regional population and increased demand for aged care services. Employment in the mining industry grew by a significant 79.2%, as a result of unprecedented resource exploration activity on the Eyre Peninsula – Table 3.

INDUSTRY	EMPLOYMENT 2001	EMPLOYMENT 2011	% CHANGE
Agriculture, Fishing & Forestry	4,012	3,338	-16.8
Health Care & Social Assistance	2,111	2,996	29.5
Manufacturing	2,786	2,890	3.6
Retail Trade	2,481	2,669	7.0
Education & Training	1,764	1,967	10.3
Construction	1,340	1,813	26.1
Accommodation & Food Services	1,356	1,595	15.0
Transport, Postal & Warehousing	999	1,260	20.7
Public Administration & Safety	1,152	1,172	1.7
Mining	199	957	79.2
TOTAL	18,200	20,657	11.9%

Table 3: RDAWEP Top Ten Employing Industries and Employment Change 2001-2011. (ABS Census 2001 and 2011).

Regional Employment by Industry

Based on the number of jobs generated, the region’s top five employing industries in 2013-14 were (in ranked order): health care and social assistance (health and community services), manufacturing, agriculture, retail trade, and construction.



These industries collectively provided 13,542 (52.0%) of the region’s 25,951 jobs in 2013-14. (EconSearch Pty Ltd, RDAWEP Regional and Council Economic Data 2013-14, RDAWEP and EPLGA, December 2015).

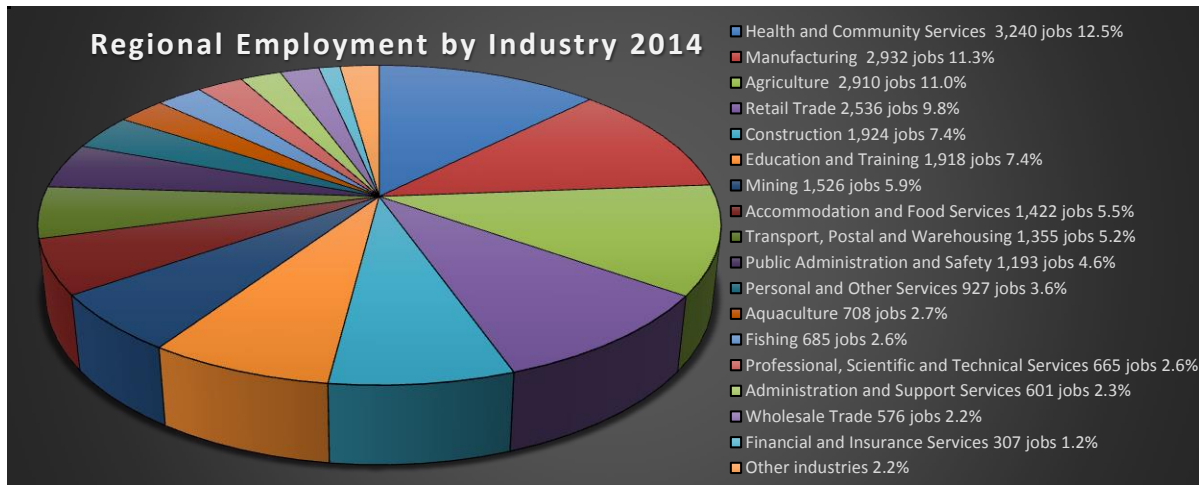


Figure 2: RDAWEP Regional Employment by Industry 2013-14.

Health and Community Services

Health and community services are the largest employing industry in South Australia, and was the largest industry in the region in 2013-14. Health and community services provided 3,240 jobs and 12.5% of regional employment. Due to population ageing and increasing demand for aged care services, the health and community services industry is expected to grow markedly in future years. This will provide one of the best opportunities for employment and business growth. However the aged care sector has considerable difficulty attracting and retaining aged care workers.

Manufacturing

The manufacturing industry, which includes the production of metal products and food processing, was the region’s second largest employer, providing 2,932 jobs and 11.3% of regional employment. The industry experienced modest employment growth of 3.6% from 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 was the biggest employer in Whyalla providing 2,027 jobs, and over two-thirds (69%) of the region’s manufacturing employment. Most of Whyalla’s manufacturing jobs (87%, 1,755 jobs) were provided in the iron and steel production sector.

Agriculture

Agriculture was the third largest employer in 2013-14, providing 2,910 jobs and 11.0% of regional employment. The main agricultural sectors are grain production (wheat, barley, canola, oil seed and pulses), sheep, and beef cattle. The grain sector was the largest agricultural employer providing 1,483 jobs and 50.1% of agricultural employment; compared with 827 jobs (28.4%) for sheep, and 437 (15.0%) for beef cattle.

Agriculture was the largest employer in Lower Eyre Peninsula (538 jobs); Tumby Bay (410); Cleve (378), Elliston (332); Kimba (306), Streaky Bay (279), Wudinna (275), and Franklin Harbour (118).

Retail Trade

Retail trade was the fourth largest industry, providing 2,536 jobs and 9.8% of regional employment. Retail trade is an integral part of the Small to Medium Enterprise (SME) sector in all regional townships – i.e. businesses employing less than 200 people. In 2013-14, most of the region’s retail trade employees were based in Whyalla (941, 37% of jobs) and Port Lincoln (919, 36% of retail jobs).



Retail trade had employment growth of 7.0% between 2001 and 2011. The sustainability of retail trade is largely reliant on the success of the region's larger industries – e.g. agriculture, manufacturing, mining and tourism – and many SMEs have been established to directly service and support these sectors.

Construction

The construction industry incorporates residential and non-residential building construction, and civil and heavy engineering services. Building and engineering companies are based in most regional towns, with concentration in the larger regional centres of Whyalla, Port Lincoln and Ceduna. These companies provide construction services locally and across the broader region. Construction is a large regional employer, and provided 1,924 jobs and 7.4% of employment in 2013-14.

Mining

Mining is the region's fastest growing industry, but is a relatively small employer in comparison with other industries. In 2012-13, mining did not rank among the top ten regional employers, but this changed in 2013-14. Mining ranked as the region's seventh largest employer providing 1,526 jobs and 5.9% of employment. This can be attributed to high levels of exploration activity on the Eyre Peninsula at this time by companies such as Centrex Metals/Eyre Iron (for the Fusion Joint Venture); Iron Road Limited (for the Central Eyre Iron Project); and graphite mining and resource exploration by Valence Industries, Lincoln Minerals and Archer Exploration Limited.

It is anticipated that mining will have additional growth in future years when developing mines and prospects move from exploration to operation. This will bring opportunities to create employment and diversify the regional economy. However, mining growth will be subject to substantially improved commodity prices and significant government and private sector investment in major infrastructure (i.e. ports, roads, rail, power and water).

Fishing and Aquaculture

Fishing and aquaculture are high profile regional industries. The region is internationally renowned for its premium seafood product, largely due to the marketing success of the trade marked brand: *'Eyre Peninsula – Australia's Seafood Frontier'*. However, the fishing and aquaculture industries are small employers compared with other industries, and provided 685 (2.6%) and 708 (2.7%) of the region's jobs respectively in 2013-14.

Most of the fishing jobs were provided in Port Lincoln (522), Streaky Bay (55), Elliston (40) and Ceduna (38). Most of the aquaculture jobs were provided in Port Lincoln (261), Lower Eyre Peninsula (199), Franklin Harbour (92), Ceduna (82) and Cleve (49).

Tourism

Tourism is a fast growing regional industry with considerable development potential, due to the region's attributes of a pristine natural environment, unique nature-based visitor experiences, and diversity of premium food product.

Tourism data have not been identified in the pie charts because the industry categories use the Australian and New Zealand Standard Industrial Classification (ANZSIC) system, which does not identify tourism as an industry in its own right. Tourism activity (i.e. the consumption of goods and services by visitors) is captured within the data provided for the other ANZSIC industries.

However, tourism industry employment and economic data are derived from a range of other sources; including research undertaken by the South Australian Tourism Commission, and Regional Tourism Satellite Accounts produced by Tourism Research Australia (TRA). These sources were used by EconSearch to identify tourism expenditure as a component of the region's exports.

In 2013-14, it was estimated that regional tourism expenditure totalled \$302 million; with \$129 million (42.8%) spent in the retail trade, accommodation, and food and beverage services sectors. TRA Satellite Account data also indicate that the tourism industry contributed about 7.2% of GRP; directly employed 1,530 people (5.3% of



regional employment), and generated an additional 1,500 indirect jobs. Most of these jobs were in the food service, hospitality, accommodation and retail trade sectors.

Regional Exports by Industry

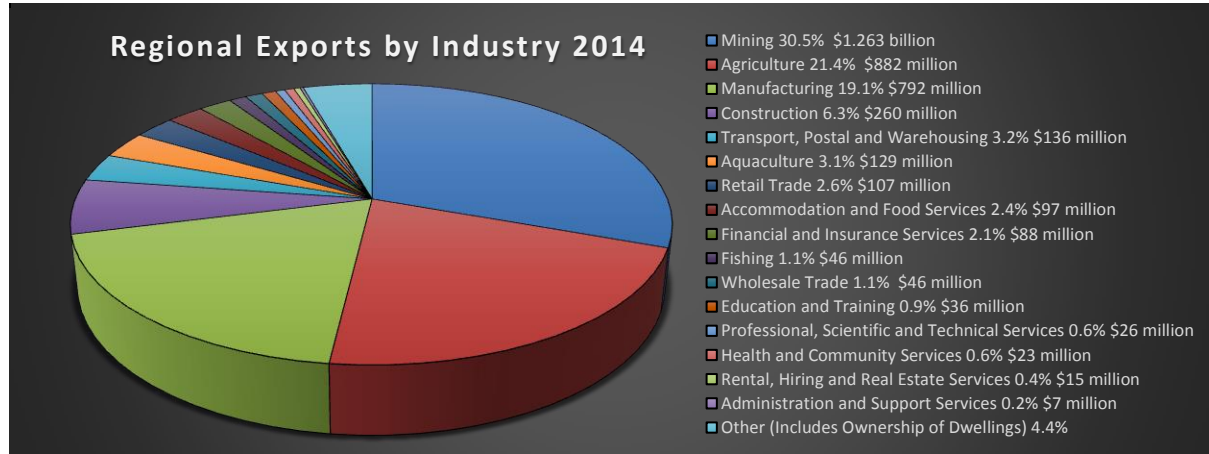


Figure 3: RDAWEP Regional Exports by Industry 2013-14.

RDAWEP is a high export region and produced exports worth \$4.144 billion in 2013-14. The major exporting industries were:

- Mining – which provided 30.5% of exports, worth \$1.263 billion,
- Agriculture – 21.4% of exports, worth \$882 million, and
- Manufacturing – 19.1% of exports, valued at \$792 million.

These industries produced almost three-quarters (71%) of the region’s total exports, worth \$2.937 billion. The key exporting sectors within these industries were:

- **Mining:** iron and non-ferrous ore, which provided 27.2% of exports, worth \$1.126 billion; and exploration and mining support services, 1.8% of exports worth \$74.1 million,
- **Agriculture:** grains, 16.1% of exports worth \$668 million; and sheep, 3.7% worth \$151 million, and
- **Manufacturing:** iron and steel production, providing 15.5% of regional exports worth \$641 million; and processed seafood products, 2.1% of exports worth \$88 million.

These data incorporates exports to intrastate, interstate and overseas markets, however the respective proportions and values to each location are not identified.

The regional contribution to South Australian exports also cannot be identified. The regional data include intrastate exports, whereas State data only apply to exports out of the State. A comparison of regional and State export data would consequently overstate the regional contribution to South Australian export.

Gross Regional Product by Industry

Gross Regional Product (GRP) is a measure of the net contribution of an activity to the regional economy, and is measured as the value of output less the cost of goods and services. The contribution of an individual industry to GRP is calculated as the sum of household income, gross operating surplus, gross mixed income, and indirect taxes less subsidies.



In 2013-14, the region's GRP was estimated at approximately \$4.2 billion (\$4.195). The top five GRP generating industries were:

- Mining – 29.2% of GRP worth \$1.22 billion,
- Agriculture – 12.0%, \$502 million,
- Construction – 6.0%, \$251 million
- Health and Community Services – 5.8%, \$241 million, and
- Manufacturing – 5.5%, \$229 million.

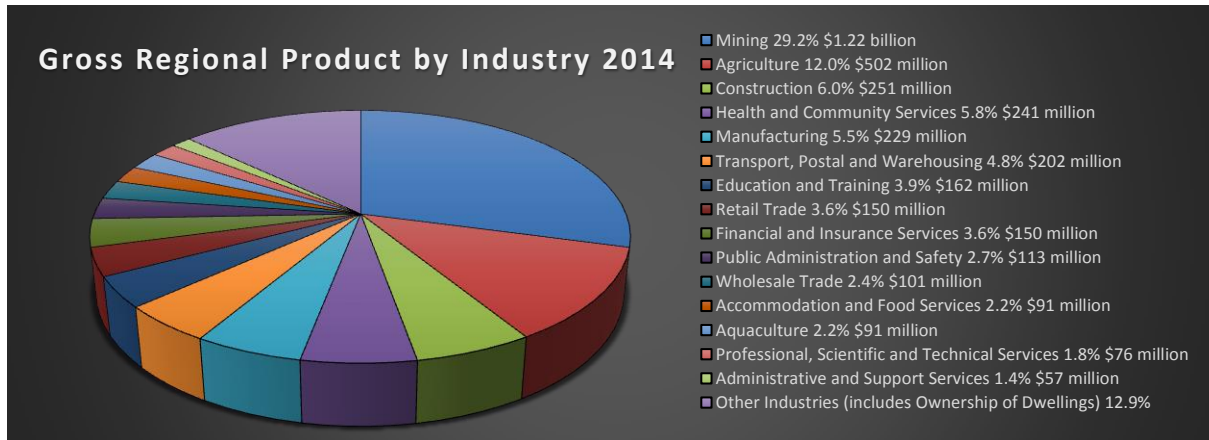


Figure 4: RDAWEP Gross Regional Product by Industry 2013-14.

Even though fishing and aquaculture are high profile regional industries, they did not rank among the top GRP producers in 2013-14. The aquaculture industry contributed 2.2% of GRP worth \$91 million; and Fishing, Hunting and Trapping contributed 0.8% worth \$35 million.

One reason for this lower than anticipated GRP contribution is that the processing of seafood product, which most people would associate with the fishing and aquaculture industries, is categorised under manufacturing by ANZSIC industry conventions. Processed seafood product produced 0.6% of GRP worth \$25 million, which was allocated as a component of manufacturing industry GRP.



Regional Economic Summary

The Eyre Peninsula is a highly productive region, generating exports worth over \$4 billion per annum and GRP of approximately \$4.2 billion. In 2013-14, South Australia's Gross State Product (GSP) was valued at \$97 billion. With regional GRP of \$4.2 billion, the Eyre Peninsula provided approximately 4.3% of the State economy.

On a per capita basis, as the Eyre Peninsula population is approximately 3.5% of the State population, the region is exceeding its fair contribution to the State economy. However, a per capita analysis undersells the importance of the region to the State economy, which needs to be put into context.

One of the State Government's key economic priorities is the *production of premium food and wine from a clean environment exported to the world*. This is an important brand SA platform for promoting South Australia internationally, and a driving force for creating new export markets in Asia. This State Government priority is very much reliant on the RDAWEP region because the Eyre Peninsula produces and exports most of South Australia's premium food product.

- **Agriculture Industry:** The region is renowned for its high quality grains and, on average, produces 40% of the State's wheat crop, 24% of the barley drop, and 22% of canola. Approximately 97% of the region's grain crop is exported, and was worth \$643 million in 2013-14.
- **Fishing and Aquaculture:** The region is renowned internationally for its premium seafood. On average, the region produces 100% of South Australia's Southern Bluefin Tuna (with approximately 99% of tuna exported to Japan); along with 100% of the State's farmed marine finfish; 97% of oysters, 92% of mussels, and about 62% of the State's abalone production. In total, approximately 82% of South Australia's seafood product is exported from the Eyre Peninsula. (Regions SA, *Regions in Focus: Whyalla and Eyre Peninsula*, July 2015).

Other State Government economic priorities are to *unlock the full potential of South Australia's resources*, and to enhance State prosperity by *promoting international connections and engagement* to increase exports. The region produces approximately 45% of GSP for iron and steel manufacturing, which highlights the importance of Whyalla to the State economy.

The region might only contribute 4.3% of GSP, however the growth and sustainability of the Eyre Peninsula is vital to the achievement of key State Government economic priorities.

As an overview, the regional economy is extremely diverse, due to the broad range of industries generating exports and GRP. This is a great strength which underpins the region's comparative advantages and economic resilience.



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
President	Mayor Bruce Green	City of Port Lincoln
Immediate Past President	Mayor Julie Low	DC Lower Eyre Peninsula
Deputy President	Mayor Sam Telfer	DC Tumby Bay
Past Deputy President	Mayor Eddie Elleway	DC Franklin Harbour
Chief Executive Officer	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 - Acting Chair since passing of Mayor Pollock | - DC Cleve |
| Cr Clare McLaughlin | - City of Whyalla |

Eyre Peninsula Natural Resources Management Board:

- | | |
|------------------|-----------------------------|
| Mr Rob Donaldson | - CEO, City of Port Lincoln |
|------------------|-----------------------------|

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 |
| Edwin Dearham, Engineer | - City of Whyalla |
| 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 2015/16

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)/ Tom Antonio (Acting 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:

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

The 80th EPLGA Conference will be held on Monday 27 February – 1 March 2017



REPORT OF ACTIVITIES 2015/16

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:

- › Natural Resources Management – joint partnership planning, delivery of services.
- › Regional Recognition/Lobbying – ongoing on various matters as they arise.
- › Mining and Impacts – continuation of the 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
- › 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 2015/2016

Outreach Services 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, e.g. 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, i.e. 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 as and when needed. 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.

EPLGA ENGINEERING & WORKS COMMITTEE

On 4th December 2015, the Eyre Peninsula Local Government Association Board (EPLGA) met to consider the establishment of an Engineering & Works Committee (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 role of the committee was to:-

1. To provide strategic advice to the EPLGA Board about its identified priority issues.
2. To arrange and coordinate reports to the EPLGA Board on those priority issues.
3. To initiate reports and advice to the EPLGA Board on other matters identified by the Committee to be of strategic regional significance.
4. To assist and advise the EPLGA Board about the development and implementation of relevant plans.
5. To share operational information and expertise amongst the committee members.
6. To collaborate on relevant engineering & works functions with a view to maximising value for money to the councils and region.

Membership of the Committee comprises the Engineering, Technical, Infrastructure & Works Managers of all Councils which are members of the EPLGA. An Officer who is a member of the committee may appoint a proxy to attend a meeting of the committee in his/ her place.



Other State Government Agency staff or independent expertise may be invited to the committee on a regular or as needs basis.

The Committee operates on an informal basis and is therefore not subject to formal meeting procedures. However agendas are prepared for each meeting, and circulated to members at least 5 working days in advance of the scheduled meeting. Minutes are taken and are distributed to Committee members and tabled at the EPLGA CEO Committee & EPLGA Board meetings.

The Executive Officer of the EPLGA provides executive support to the Committee, including financial support for venue hire & meals etc. within the budget of the EPLGA Board. In addition, the Committee may from time to time establish working groups or appoint individual members to consider and advance work on a particular issue or issues.

Pursuant to the Local Government Act 1999 Schedule 2 clause 36(2) (a) the EPLGA Board may delegate tasks to the committee for action. The Committee may sub-delegate to the established working groups or newly established working groups as deemed necessary.

REGIONAL TRANSPORT STRATEGY 2015

This Regional Transport Strategy Update provides guidance on the management and development of roads across the region, including classification into a functional hierarchy and identification of Action Plans. This Strategy Update builds on the Regional Roads Strategy which has been in place and regularly updated since 2003. The format of this Regional Transport Strategy follows similar formatting used in the development of other Regional Transport Plans in the state, and aligns with the guidance provided in the Local Government Association Overarching Regional Transport Strategy – 2014. This format provides a consistent approach across the state.

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 2 years of this project. The State Government had committed \$25,000 towards the group's activities for 2015/2016 which has been carried forward to 2016/17.

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 intelligence 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.

The Member Councils of the CWMS User Group committed both management and operational resources to this project and their initial commitment has continued through to the ongoing operations of the User Group. This recognised working group of the EPLGA is now incorporated into the newly formed Engineering & Works Committee of the EPLGA.

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:

Details

	2012/2013	2013/2014	2014/2015	2015/2016
Sessions conducted	22	12	18	10
Participants	22	176	365	202

The Executive Officer has identified savings for 2015/ 16 to be in excess of \$200k 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.

CORORATE PLAN 2016 – 19 (REPLACES THE MANAGEMENT PLAN 2013 – 2016)

The Council Mayors and Chief Executive Officers of the Eyre Peninsula Local Government Association (EPLGA) have contributed to the development of this Plan. It was clear from responses to our 2015 survey that the member Councils placed great importance on:

- *Advocacy (and Representation) – the EPLGA being the principal regional advocate for Local Government in the region*
- *Governance – continuing to ensure that our business is conducted in accordance with the law and proper standards*
- *Member Services – the EPLGA to continue to provide member support services as they are needed*
- *Outreach Services – Connecting Councils with desirable services offered by the LGA of SA*

Recognising that regional strategic and economic plans are being jointly developed by RDAWEP, EPNRM and EPLGA to set out longer term strategies - through which the EPLGA will be responsible for a wide range of actions - this Plan focusses on the EPLGA’s key leadership and advocacy roles and will enable positive, value-adding and timely action on emerging strategic issues.

To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term ‘Management Plan or Corporate Plan’. The Corporate Plan is for the period 2016 – 2019 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.

Prior to the new plan the EPLGA worked from its 2013 – 16 Management Plan which incorporates the current year covered by this Annual Report.



Management Plan Performance 2015 - 16

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. The data is provided to all member Council too with summaries relevant to their districts.

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 developed roads database for all EP roads and the new 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 are 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 proxy) 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. Council senior staff is well informed through emails of any developing issues of matters of interest.

- 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 as and when needed.

- 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, e.g. 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. The development of a regional economic plan in conjunction with the RDAWEP & EPNRM Boards will also ensure consistency in the approach to facilitating economic expansion. The planned development of a regional strategic plan will add further strength to this strategy. The Regional Economic Development Plan is nearing completion and the development of the Regional Strategic Plan has commenced.

- 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 various infrastructure planning sessions with regional organisations and state agencies. E.g. Minister for Regions road shows

- 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 Regions 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. Through the Regional Executive Officer's group local government reform is always on the agenda, particularly around continuous improvement and cutting red tape.

- 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 in the past assisted in this area but is pleasing to learn of Councils now taking the lead and working in sub-groups whether for regional health planning, waste management or simply sharing human resources.

- 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 (\$50,000), Regional Capacity Building (\$38,000+) and other funding is sought from the LGA Research and Development Fund on a needs basis. The region also offers itself to various pilot projects which often result in additional funding and resources addressing issues.

- 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 was developed along with appointing a Coordinator to manage the process. The taskforce met three times during the 2015/16 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 was collected to finalise the database to allow better planning and prioritisation. The collection of data has been a difficult task but the EP Transport Strategy was completed in 2015 in regards to roads. There will need to be further refinement of the strategy as it is reviewed annually.

- 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.

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 \$50k per year with the LGA of SA.

Comment: Established pilot in July 2013 and concluded 30 June 2015. Pilot completed - program has continued in all regional LGA's after the pilot at \$50,000pa funding from the LGA for each regional 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 on a half yearly basis as per the new agreement.

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

Comment: COMPLETED an 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 (\$157K) Actual: Regional Capacity \$39,000 Mining taskforce \$10,000 CWMS Users Group \$19,500 Emergency management Plans \$7,000 Climate Change - EPPICA \$25,000 Tourism \$76,000 Total \$176,500
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 (12)
Annual review of Executive Officer	Final achievement score	Actual: Review occurred in June 2016. Report of satisfactory performance by President - employment contract extended by 24 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.



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Port Lincoln, SA 5606
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ABN 64 945 523 972
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19th September, 2016

Mr Tony Irvine,
Eyre Peninsula Local Government Association
89 Liverpool Street
PORT LINCOLN SA 5606

Dear Tony,

**RE: AUDIT OF EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION
FOR THE YEAR ENDED 30TH JUNE 2016**

We advise that we have now completed our Audit of the Eyre Peninsula Local Government Association for the year ended 30th June 2016 and enclose a copy of our Audit Opinion for your records.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and therefore may not detect all points of weaknesses in systems and procedures which may exist.

Having completed the Audit we now make the following comments:


Internal Controls

It is our opinion that the Eyre Peninsula Local Government Association has adequate internal controls. During the conduct of our audit we did not make any observations which would contradict this opinion.

Taxation & Superannuation Liabilities

During the conduct of our audit we observed that GST, PAYG Withholding and Superannuation are being paid in a timely manner and in accordance with legislative guidelines.

Yours faithfully,


Greg Nicholls B. Com, CPA, CTA
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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
30TH JUNE 2016**

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Statement of Income & Expenditure

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Board Certificate

Audit Report



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<u>INCOME</u>			
Grants Received	2	53,273	279,139
Interest Received		8,412	8,975
Project Income - EP Councils	3	97,969	120,472
Membership Fees	4	157,587	151,423
Reimbursable Expenses		3,988	806
Sundry Income		2,000	-
		<hr/>	<hr/>
<u>TOTAL INCOME</u>		323,229	560,815
<u>EXPENDITURE</u>			
Administration		9,420	9,116
Advertising & Promotion		1,055	1,164
Audit Fees		1,300	1,200
Bank Charges & Taxes		443	445
Computer Expenses		886	3,169
Employee Expenses		139,787	134,126
Insurance		5,676	5,549
Legal Costs		4,619	-
Meeting Expenses		5,300	5,314
President's Expenses		2,250	2,005
Project Expenditure	5	117,074	342,892
Secretarial Services		17,462	17,255
Sundry Expenses		1,718	311
Telephone		784	926
Travel & Accommodation		13,381	13,604
		<hr/>	<hr/>
<u>TOTAL EXPENDITURE</u>		321,155	537,076
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT)</u>		\$ 2,074	\$ 23,739



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	NOTE	
	\$	\$
Net Surplus/(Deficit)	2,074	23,739
Extraordinary Items	-	-
<u>TOTAL NET SURPLUS/(DEFICIT)</u>	2,074	23,739
Surplus Funds at July 1	207,334	183,595
SURPLUS/(DEFICIT)	209,408	207,334
<u>ACCUMULATED SURPLUS/(DEFICIT)</u> <u>AT 30TH JUNE, 2016</u>	\$ 209,408	\$ 207,334



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<u>EQUITY</u>			
Accumulated Surplus		\$ <u>209,408</u>	\$ <u>207,334</u>
REPRESENTED BY			
<u>CURRENT ASSETS</u>			
Cash at Bank	6	268,403	362,766
Debtors		11,000	28,387
Income Accrued		1,814	1,865
GST Receivable		2,332	1,704
<u>TOTAL ASSETS</u>		283,549	394,722
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	7	3,709	7,472
Creditors		4,661	70,207
Unspent Project Funds	8	42,130	94,084
Provision for Holiday Pay		7,611	2,601
Prov'n for Long Service Leave	9	16,030	13,024
		<u>74,141</u>	<u>187,388</u>
<u>NET ASSETS</u>		\$ <u>209,408</u>	\$ <u>207,334</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

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.

	2016	2015
	\$	\$

NOTE 2 - Grants Received

LGA of SA - Outreach Service	-	120,000
LGA of SA - Regional Capacity	38,726	38,305
LGA of SA - CWMS Users Group	4,547	12,500
LGA of SA - Mining Taskforce	10,000	10,000
DEWNR - EP Integrated Climate Change Agreement Program	-	25,000
SAFECOM - Emergency Management Planning	-	73,334
	\$ 53,273	\$ 279,139

NOTE 3 - Project Income - EP Councils

CWMS Users Group	15,000	15,000
Emergency Management Planning	6,875	33,000
Tourism Subscriptions	76,094	72,472
	\$ 97,969	\$ 120,472

**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2016**

	2016	2015
	\$	\$
<u>NOTE 4 - Membership Fees</u>		
District Council of Ceduna	12,491	14,710
District Council of Cleve	11,108	11,013
District Council of Elliston	9,583	9,331
District Council of Franklin Harbour	9,748	9,651
District Council of Kimba	9,613	9,296
Wudinna District Council	9,732	9,734
District Council of Lower Eyre Peninsula	15,547	16,533
District Council of Streaky Bay	11,443	11,297
District Council of Tumby Bay	11,739	12,438
City of Whyalla	32,197	27,473
City of Port Lincoln	24,386	19,947
	<u>\$ 157,587</u>	<u>\$ 151,423</u>
<u>NOTE 5 - Project Expenditure</u>		
Unspent Funds at 1 July	(94,084)	(59,519)
Climate Change Sector Agreement	12,500	-
Committee & Working Group Mtg	5,410	8,420
CWMS Users Group	6,435	26,451
Emergency Management Planning	8,316	87,893
EP Integrated Climate Change Agreement Program	299	-
Mining Taskforce	25,959	45,032
One Regional Development Plan	-	30,000
Procurement Roadmap	-	982
Regional Roads Strategy	34,015	35,576
Shared Services EBACC Project	-	1,500
Tourism Subscriptions	76,094	72,472
Unspent Funds at 30 June	42,130	94,085
	<u>\$ 117,074</u>	<u>\$ 342,892</u>
<u>NOTE 6 - Cash at Bank</u>		
BankSA Society Cheque Account	36,167	138,916
Bendigo Bank Term Deposit	151,518	147,438
LGFA	71,855	67,765
LGFA - Cores EP	8,863	8,647
	<u>\$ 268,403</u>	<u>\$ 362,766</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
<u>NOTE 7 - Sundry Creditors</u>		
PAYG Withheld	2,524	6,290
Superannuation	1,185	1,182
	<u>\$ 3,709</u>	<u>\$ 7,472</u>
<u>NOTE 8 - Unspent Project Funds</u>		
Regional Capacity Building	-	10,438
Cores - EP	8,863	8,646
Outreach Service	-	50,000
EP Integrated Climate Change Agreement Program	24,702	25,000
CWMS Group	8,565	-
	<u>\$ 42,130</u>	<u>\$ 94,084</u>
<u>NOTE 9 - Prov'n for Long Service Leave</u>		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt. Association	9,468	6,462
	<u>\$ 16,030</u>	<u>\$ 13,024</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 2016 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 signed

position position

Dated this day of 20....



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

4 Tasman Terrace, PO Box 2180
Port Lincoln, SA 5606
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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 30th June 2016.

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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Eyre Peninsula Local Government Association

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 30th June 2016.

Gill Penfold Kelly Pty Ltd



Gregory S Nicholls
19th September 2016
4 Tasman Terrace, Port Lincoln SA 5606

19th September, 2016

Mr Tony Irvine,
Eyre Peninsula Local Government Association
89 Liverpool Street
PORT LINCOLN SA 5606

Dear Tony,

**RE: AUDIT OF EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION
FOR THE YEAR ENDED 30TH JUNE 2016**

We advise that we have now completed our Audit of the Eyre Peninsula Local Government Association for the year ended 30th June 2016 and enclose a copy of our Audit Opinion for your records.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and therefore may not detect all points of weaknesses in systems and procedures which may exist.

Having completed the Audit we now make the following comments:

Internal Controls

It is our opinion that the Eyre Peninsula Local Government Association has adequate internal controls. During the conduct of our audit we did not make any observations which would contradict this opinion.

Taxation & Superannuation Liabilities

During the conduct of our audit we observed that GST, PAYG Withholding and Superannuation are being paid in a timely manner and in accordance with legislative guidelines.

Yours faithfully,


Greg Nicholls B. Com, CPA, CTA
GILL PENFOLD KELLY PTY LTD

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
30TH JUNE 2016**

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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<u>INCOME</u>			
Grants Received	2	53,273	279,139
Interest Received		8,412	8,975
Project Income - EP Councils	3	97,969	120,472
Membership Fees	4	157,587	151,423
Reimbursable Expenses		3,988	806
Sundry Income		2,000	-
		<hr/>	<hr/>
<u>TOTAL INCOME</u>		323,229	560,815
<u>EXPENDITURE</u>			
Administration		9,420	9,116
Advertising & Promotion		1,055	1,164
Audit Fees		1,300	1,200
Bank Charges & Taxes		443	445
Computer Expenses		886	3,169
Employee Expenses		139,787	134,126
Insurance		5,676	5,549
Legal Costs		4,619	-
Meeting Expenses		5,300	5,314
President's Expenses		2,250	2,005
Project Expenditure	5	117,074	342,892
Secretarial Services		17,462	17,255
Sundry Expenses		1,718	311
Telephone		784	926
Travel & Accommodation		13,381	13,604
		<hr/>	<hr/>
<u>TOTAL EXPENDITURE</u>		321,155	537,076
		<hr/>	<hr/>
<u>NET SURPLUS/(DEFICIT)</u>		\$ 2,074	\$ 23,739

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	NOTE	
	\$	\$
Net Surplus/(Deficit)	2,074	23,739
Extraordinary Items	-	-
<u>TOTAL NET SURPLUS/(DEFICIT)</u>	2,074	23,739
Surplus Funds at July 1	207,334	183,595
SURPLUS/(DEFICIT)	209,408	207,334
<u>ACCUMULATED SURPLUS/(DEFICIT)</u> <u>AT 30TH JUNE, 2016</u>	\$ 209,408	\$ 207,334

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<u>EQUITY</u>			
Accumulated Surplus		\$ <u>209,408</u>	\$ <u>207,334</u>
REPRESENTED BY			
<u>CURRENT ASSETS</u>			
Cash at Bank	6	268,403	362,766
Debtors		11,000	28,387
Income Accrued		1,814	1,865
GST Receivable		<u>2,332</u>	<u>1,704</u>
<u>TOTAL ASSETS</u>		283,549	394,722
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	7	3,709	7,472
Creditors		4,661	70,207
Unspent Project Funds	8	42,130	94,084
Provision for Holiday Pay		7,611	2,601
Prov'n for Long Service Leave	9	<u>16,030</u>	<u>13,024</u>
		<u>74,141</u>	<u>187,388</u>
<u>NET ASSETS</u>		\$ <u>209,408</u>	\$ <u>207,334</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

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.

2016 2015

\$ \$

NOTE 2 - Grants Received

LGA of SA - Outreach Service	-	120,000
LGA of SA - Regional Capacity	38,726	38,305
LGA of SA - CWMS Users Group	4,547	12,500
LGA of SA - Mining Taskforce	10,000	10,000
DEWNR - EP Integrated Climate Change Agreement Program	-	25,000
SAFECOM - Emergency Management Planning	-	73,334
	<u>\$ 53,273</u>	<u>\$ 279,139</u>

NOTE 3 - Project Income - EP Councils

CWMS Users Group	15,000	15,000
Emergency Management Planning	6,875	33,000
Tourism Subscriptions	76,094	72,472
	<u>\$ 97,969</u>	<u>\$ 120,472</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
<u>NOTE 4 - Membership Fees</u>		
District Council of Ceduna	12,491	14,710
District Council of Cleve	11,108	11,013
District Council of Elliston	9,583	9,331
District Council of Franklin Harbour	9,748	9,651
District Council of Kimba	9,613	9,296
Wudinna District Council	9,732	9,734
District Council of Lower Eyre Peninsula	15,547	16,533
District Council of Streaky Bay	11,443	11,297
District Council of Tumby Bay	11,739	12,438
City of Whyalla	32,197	27,473
City of Port Lincoln	24,386	19,947
	<u>\$ 157,587</u>	<u>\$ 151,423</u>

NOTE 5 - Project Expenditure

Unspent Funds at 1 July	(94,084)	(59,519)
Climate Change Sector Agreement	12,500	-
Committee & Working Group Mtg	5,410	8,420
CWMS Users Group	6,435	26,451
Emergency Management Planning	8,316	87,893
EP Integrated Climate Change Agreement Program	299	-
Mining Taskforce	25,959	45,032
One Regional Development Plan	-	30,000
Procurement Roadmap	-	982
Regional Roads Strategy	34,015	35,576
Shared Services EBACC Project	-	1,500
Tourism Subscriptions	76,094	72,472
Unspent Funds at 30 June	42,130	94,085
	<u>\$ 117,074</u>	<u>\$ 342,892</u>

NOTE 6 - Cash at Bank

BankSA Society Cheque Account	36,167	138,916
Bendigo Bank Term Deposit	151,518	147,438
LGFA	71,855	67,765
LGFA - Cores EP	8,863	8,647
	<u>\$ 268,403</u>	<u>\$ 362,766</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
<u>NOTE 7 - Sundry Creditors</u>		
PAYG Withheld	2,524	6,290
Superannuation	1,185	1,182
	<u>\$ 3,709</u>	<u>\$ 7,472</u>
<u>NOTE 8 - Unspent Project Funds</u>		
Regional Capacity Building	-	10,438
Cores - EP	8,863	8,646
Outreach Service	-	50,000
EP Integrated Climate Change Agreement Program	24,702	25,000
CWMS Group	8,565	-
	<u>\$ 42,130</u>	<u>\$ 94,084</u>
<u>NOTE 9 - Prov'n for Long Service Leave</u>		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt. Association	9,468	6,462
	<u>\$ 16,030</u>	<u>\$ 13,024</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 2016 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 signed

position position

Dated this day of 20....

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 30th June 2016.

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

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 30th June 2016.

Gill Penfold Kelly Pty Ltd



Gregory S Nicholls
19th September 2016
4 Tasman Terrace, Port Lincoln SA 5606