

Lifestyle for the future



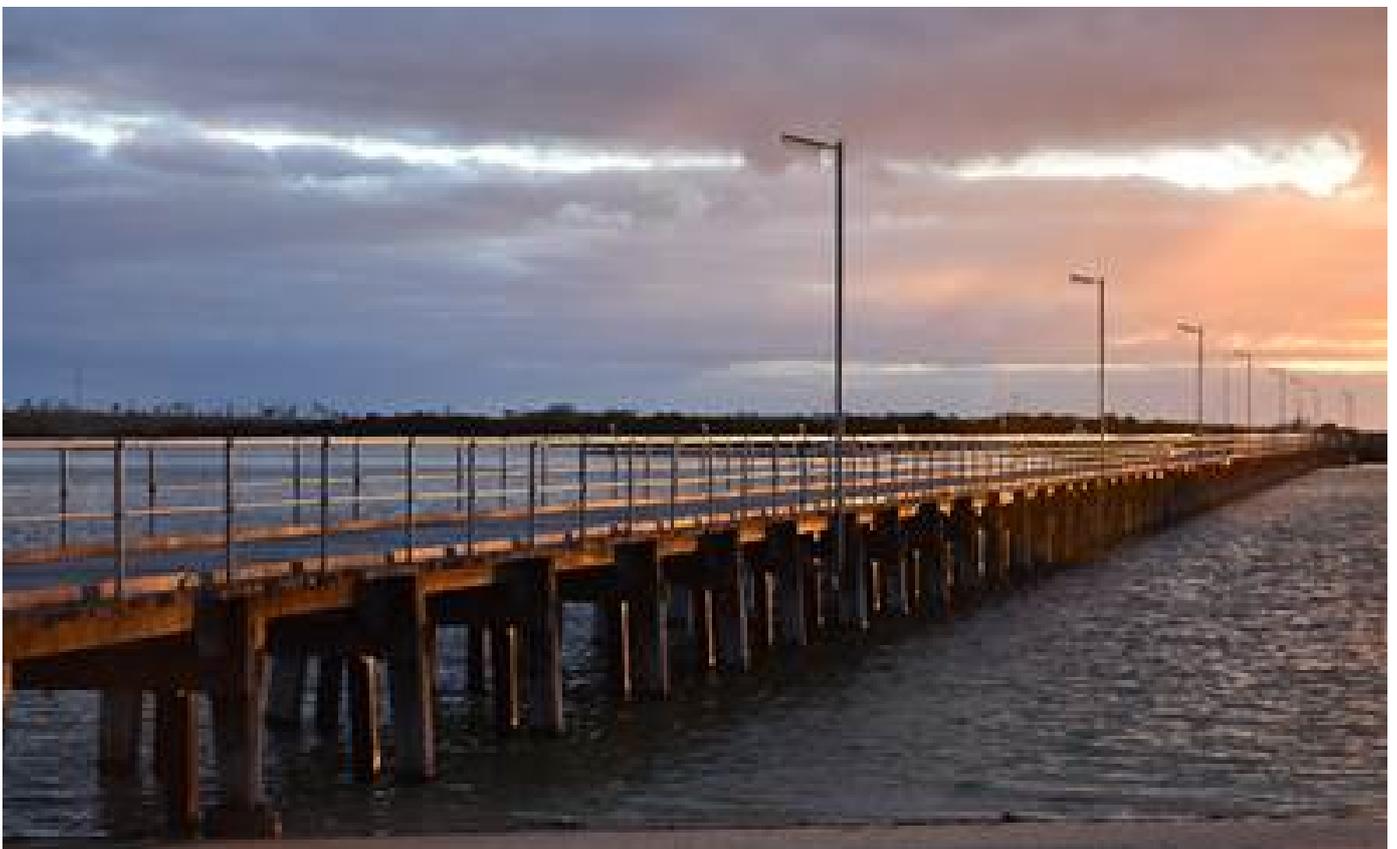
Photograph supplied by Kate Nottage

District Council of Barunga West

Annual Report 2015/16

Contents

Message from the Mayor and the CEO	2
Council Profile	3
Strategic Management	5
Corporate Governance.....	10
Information Statement.	16
Human Resources	27
Risk Management.....	32
Development, Planning & Environment	35
Infrastructure	41
Finance	47
Community	55
Appendices.....	58



Message from the Mayor and the CEO

It is with great pleasure we present the 2015/16 Annual Report for the District Council of Barunga West, as we highlight the achievements and projects undertaken by our Council.

Throughout our second year of this term, Council has grown in confidence in the knowledge of the roles and responsibilities of our Elected Member team. We have settled into a cohesive program with satisfying outcomes of good governance underlined by the important strategy of listening to our ratepayers.

We are collaboratively working towards progressing the challenging aspects of the Fisherman Bay free-holding project, as well as ensuring that Council is kept well informed of the potential impacts of the State Government's legislative changes involving 'Planning Reform'. This is such an exciting venture that, should we dare to dream, it shall one day bring a huge injection of growth and excitement to Fisherman Bay and its residents.

Employment is a continual challenge facing our rural district. The exodus of one of our most valuable resources, our youth, is a continuing concern. The opportunities to find a job in our Council area are limited. Undaunted, we shall continue to seek opportunities to support small business where ever possible. Grant funding in these areas is always 'on our radar'.

Council's recent sealing of a new car park adjoining the Port Broughton Bowling Club has provided all-weather safe parking. This area can be utilised by the Port Broughton Area School, Barunga Village and Bowling Club to maximise the asset in this aged-focus precinct.

Our four bin system for rubbish collection continues to work successfully. However, the State Government recently advised of predicted cost increases to Council for the processing of this rubbish. It will have a very significant impact on our Budget in the future.

Council's management of the Broughton Bayside Caravan Park has had positive outcomes for the local community, particularly the permanent residents and tourists who enjoy what this small caravan park has to offer. The wet winter has had an impact on our unsealed roads as we strive to keep up maintenance to road surfaces, storm water and footpaths, along with caring for the numerous council buildings and halls within our area.

Public comments and consultation are regularly sought. Please avail yourself of these opportunities to put forward your comments and ideas to Council.

We cordially invite you to take the opportunity to attend a Council Meeting and be a part of our gallery, to learn first hand how we display the governance of conduct of your Council.

Cynthia Axford
Mayor

Andrew Cole
Chief Executive Officer

Council Profile

Council Offices and Contact Details

Head Office:

11 Bay Street
Port Broughton SA 5522
Tel: 08 8635 2107
Fax: 08 8635 2596

Sub Office:

Railway Terrace
Bute SA 5560
Tel: 08 8826 2011
Fax: 08 8826 2173

Email: barunga@barungawest.sa.gov.au
Website: www.barungawest.sa.gov.au

Postal Address

PO Box 3
Port Broughton
SA 5522

Geographical Area

1590.4 km²

Population

2,452 (Australian Bureau of Statistics Estimated Resident Population, Local Government Areas, South Australia, 2013)

Road Length

Sealed Roads – 72.32 Kilometres
Unsealed Roads – 858.45 Kilometres

Assessed Value

The assessed capital value of properties as at 30 June 2016 is \$1,098,017,420.

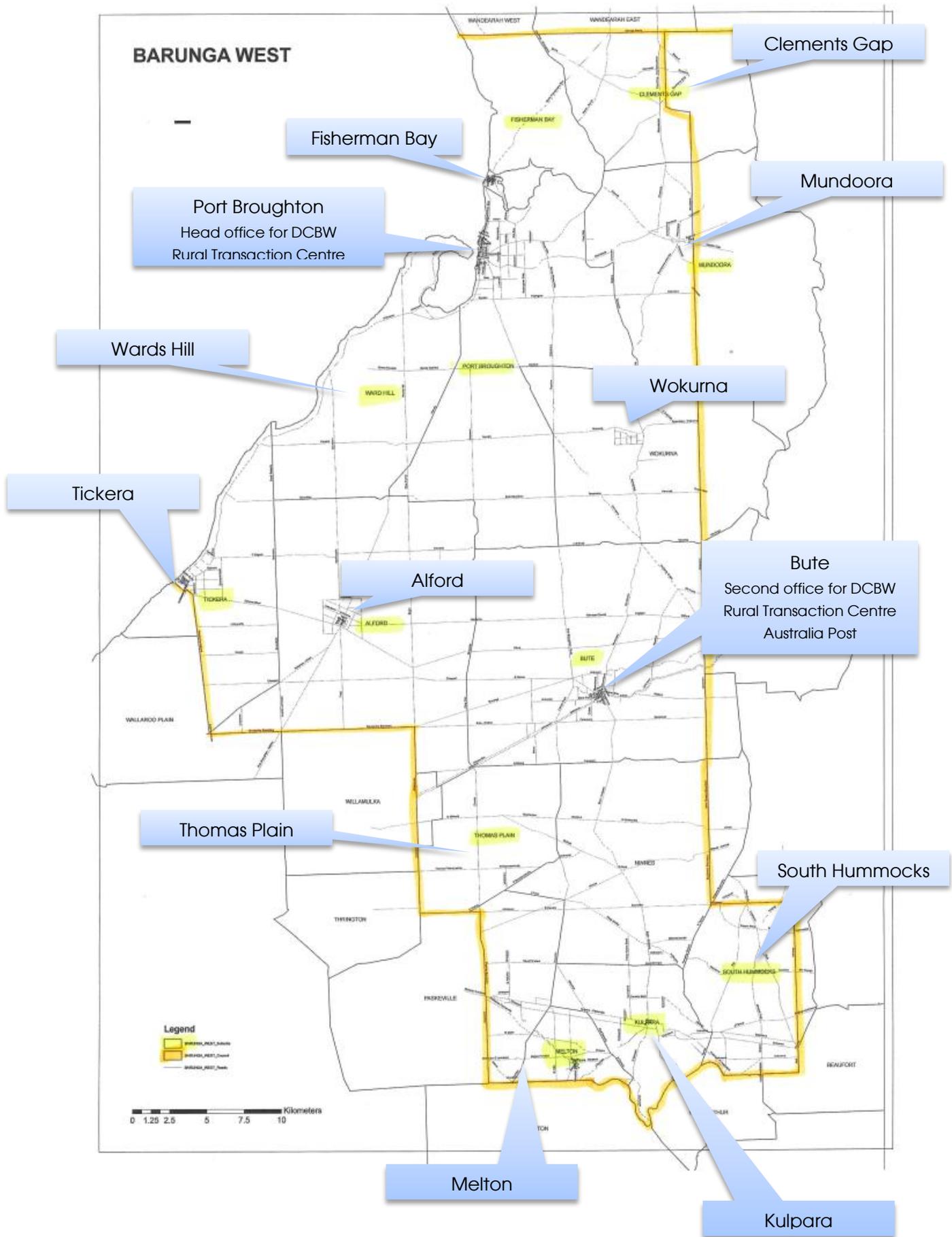
Electorates

Federal: Grey – Local Member, Mr Rowan Ramsey MP

State: Frome – Local Member, Mr Geoff Brock MP

Goyder – Local Member, Mr Steven Griffiths MP

Council Map



Strategic Management

Strategic Plan

Review of Strategic plan

Council last reviewed its Strategic Management Plan during 2012-13. The Strategic Plan will be reviewed before November 2016 as required by the Local Government Act 1999. Council's Strategic Management Plan must be reviewed within two years of a local government election (held in November 2014).

Vision

A welcoming, supportive, growing community with a sustainable lifestyle and environment.

Mission Statement

Through community engagement and collaboration effectively deliver the community's needs in a sustainable manner.

Objectives

The objective and vision for the District Council of Barunga West is to improve the efficiency of its operations in the provisions of works and services. These efficiencies will allow for improved services and staff development opportunities. It is a clear objective to minimize rate increases with productivity gains and improved services to the electors.

Core Values

The District Council of Barunga West is committed to:

- Responsible use and management of community resources;
- Ensuring accountability, honesty and integrity;
- Ensuring effective communication with the community;
- Ensuring good support for all Council staff;
- Maintaining sound financial management practices;
- Ensure effective planning for the future needs of the district;
- Developing best practices in all areas of Council operations;
- Quality service to our community.

Strategic Management Plan Outcomes

The following is a summary of the Five Key Objectives contained within Council's Strategic Management Plan 2013-2020.

1. **Community and Economic Development** - supporting the community to achieve a sustainable lifestyle and local businesses to grow and prosper.

Key Issues:

Support the local economy

Support the local community

Promote the district as a base for FIFO workers and their families

2. **Natural and Built Environment** – caring for the natural environment, protecting our heritage and fostering a built environment that complements the natural environment.

Key Issues:

The Natural environment

The Built Environment

Planning and Development Guidelines

Climate Change

3. **Tourism and Recreation** – showcasing Barunga West, strengthening the local economy and providing citizens with opportunities for a healthy lifestyle.

Key Issues:

Promote tourism and the natural environment

Continue to support the Visitor Information Outlet (VIO)

Support Recreation Groups within the Council area

Develop walking and cycling trails

Encourage sustainable sport and recreational activities

4. **Infrastructure and Asset Management** – providing and maintaining the right mix of facilities to support the community, agriculture and businesses.

Key Issues:

Maintenance of existing assets
Provide a safe, well maintained and effective Road Network
Maintain an effective Footpath Network
Maintain and Develop Foreshore and Marine facilities
Maintain and develop appropriate CWMS facilities
Effective Stormwater Management
Effective use and maintenance of all Council building assets
Efficient and effective lighting of council facilities and urban areas
Appropriate and Cost-effective plant and equipment
Maintain and develop appropriate recreational facilities
Investigate alternative energy options

5. **Governance and Organisational Development** – maintaining and growing a strong elected body, a competent administration and financial sustainability.

Key Issues:

Support the Role of Elected Members
Plan towards Financial Sustainability
Investigate opportunities for Resource Sharing
Ensure Compliance with all of Council's legislative requirements
Ensure that Council's information technology is adequate
Ensure adequate Workforce Planning for future needs
Ensure Compliance with Risk Management Controls
Ensure Commitment to Work Health and Safety Framework

Annual Business Plan Objectives 2015-16

Projects for 2015/6 include	Strategic Objectives	Status
Review of Council's Strategic Management Plan 2013 - 2020.	5.5. Ensure that Council complies with all of its legislative requirements.	Ongoing
Port Broughton Foreshore Master Plan	4.4. Maintain and develop appropriate foreshore and marine facilities in Barunga West	Completed
Elected Member Training - Ongoing	5.2. Ensure that all elected members receive training appropriate to their needs.	Mandatory Training Requirements competed as required under the Local Government Act. Additional Training scheduled as required.
Continued development of council resource sharing	5.3. Work with the Central Region of the LGA to identify opportunities for resource sharing.	Building & Development shared with DC Copper Coast
Continue process of workforce planning and improvement of Human Resource management	5.7. Ensure Council has adequate staffing resources to ensure legislative compliance	Ongoing
Review and continue development of HR policies, procedures and documentation	5.10. Council staff work at the best of their abilities to carry out Council's policies	Completed
Continuation of Mosquito Control programme	1.14. Encourage a healthy lifestyle by working with the State Department of Health to develop programs	Completed, ongoing annually
Continuation of the Fishermans Bay Freeholding Seawall & Land Division applications	5.1. Ensure that the community is aware of the need to continually renew the membership of the Council with a range of representatives who will represent the broad community and its interests	This project is still ongoing, with progress determined by the DAC Land Division Approval Process.
Commence work towards a Fisherman Bay Development Plan Amendment (DPA)	2.10. Ensure that the Barunga West Development Plan is consistent with the objectives of the Strategic Management Plan	The Fisherman Bay DPA approved to commence by the Minister of Planning on 29 June 2016.
Completion of Asset Management Plans and input into a revised Long-Term Financial Plan (LTFP)	4.1. The Asset Management Plan to include measures for the effective maintenance of all Council assets	All AMPs completed except for buildings, which is ongoing
Restructure Rating System to use full list of Land Use Codes	5.5. Ensure that Council complies with all of its legislative requirements	Completed
Continued support of the Community Grant Funding Program	1.9. Maintain community hubs and progress associations	Completed

Implement an IT Server Upgrade to ensure Council's computer platform remains effective and efficient.	5.6 Work with information technology providers and LGA to ensure that Council's information technology is adequate.	Completed
Matching Grant Funds	3.1 Promote tourism and the natural environment in Barunga West	Completed
Council Capital Fund	4.7. Ensure the effective use and maintenance of all Council assets	Completed
Replace Tractor, Plant Replacement	4.9 Ensure that appropriate and cost-effective plant and equipment is available to carry out council operations, whether owned, leased or hired.	Completed
Replace Holden Caprice Sedan, Plant Replacement	4.9 Ensure that appropriate and cost-effective plant and equipment is available to carry out council operations, whether owned, leased or hired.	Completed
Haldanes Road, seg. 10, 1500m	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
Haldanes Road, seg. 15, 1000m	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
Church Road, Willamulka Rd	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
Peter Koch's Road	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
R Wehrs Road, seg. 10, 1400m	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
R Wehrs Road, seg. 15, 1800m	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
Tickera – Alford Road	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed
Tickera – Alford Road	4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Completed

Corporate Governance

The Elected Body

The Council is composed of nine (9) elected members, including a Mayor, who form part of an incorporated body which has the responsibility for carrying out the duties and exercising the powers conferred on the Council by the Local Government Act 1999 and other State and supporting legislation.

The current Council was elected in November 2014 for a four year term.

In the November 2014 election the Council had 12 nominations for 9 vacancies. The election conducted by the Electoral Commission saw Council have a 62.18% return of ballot papers, which is outstanding when compared against the State average of 31.99%.

In terms of representation, Council now has 5 female elected members (from 9 members) which gives a percentage of 55.5%, the highest percentage Council has had since amalgamation.

Comparison Elector Representation Quota

Council's current representation quota, that is the number of people able to vote in a Council election divided by the number of elected members (including the Mayor) representing them, is one elected member for every 223 ratepayers. Council's representation quota is comparable to that of similar sized Councils.

Council	Elected Members	Electors	Ratio
Barunga West	9 including Mayor	2012	1:223
Ceduna	8 plus Mayor	2178	1:242
Kingston	8 including Mayor	1928	1:241
Mount Remarkable	7 including Chairman	2235	1:319
Robe	6 plus Mayor	1248	1:178
Tumby Bay	7 Councillors	4730	1:675

Figures obtained from the Electoral Commission of SA, 2014 Local Government Election Report

Representation Review

District Council of Barunga west is due to complete its next Elector Representation review by October 2017 as directed by the Electoral Commissioner. Elector Representation Reviews are required to be completed every 8 years. Council is currently undertaking this review which is scheduled to be completed in September June 2017.

Councillors and Committees



**Mayor Cynthia Axford
of Bute**



**Deputy Mayor Dean
Dolling
of Pt Broughton**



**Councillor
Leonie Kerley
of Pt Broughton**



**Councillor
Georgie Simmons
of Bute**



**Councillor
Margaret McDonald
of Pt Broughton**



**Councillor
Malcolm McDonald
of Bute**



**Councillor
Michelaine Barker
of Pt Broughton**



**Councillor
Gregory Winen
of Port Broughton**



**Councillor
James Beifess
of Bute**

Meeting attendance record

Elected Member	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Executive Committee Meetings
Mayor Cynthia Axford	12 of 12	3 of 3	4 of 4	2 of 2
Deputy Mayor Dean Dolling	11 of 12	2 of 3	3 of 4	2 of 2
Cr James Bettess	12 of 12	3 of 3		
Cr Leonie Kerley	11 of 12	3 of 3		2 of 2
Cr Michelaine Barker	12 of 12	3 of 3		
Cr Gregory Winen	9 of 12	2 of 3	4 of 4	
Cr Malcolm McDonald	11 of 12	1 of 3		
Cr Margaret McDonald	12 of 12	3 of 3	4 of 4	2 of 2
Cr Georgie Simmons	11 of 12	2 of 3		

Executive Committee

Mayor Cynthia Axford
 Deputy Mayor Dean Dolling
 Councillor Margaret McDonald
 Councillor Leonie Kerley

Audit Committee

Independent Chair:
 Ms Patricia Flood

Council Representatives:
 Mayor Cynthia Axford
 Deputy Mayor Dean Dolling
 Councillor Margaret McDonald
 Councillor Gregory Winen

Development Assessment Panel

Independent Chair:

Mr John Meier

Independent Members:

Mr Steven Horsell

Ms Kelly Rosenberg

Mr Dean Rodda

Council Representatives:

Deputy Mayor Dean Dolling

Councillor James Bettess

Councillor Michelaine Barker

External Committee Representation

Mayor Cynthia Axford

Central Local Government Region

Local Government Association of SA (including Local Government Finance Authority)

Deputy Mayor Dean Dolling

Local Government Association of SA (including Local Government Finance Authority)

Barunga West Building Fire Safety Committee (internal)

Councillor Margaret McDonald

Port Broughton Area School Governing Council

Port Broughton District Hospital and Health Services Health Advisory Committee

Councillor Georgie Simmons

Yorke Peninsula Community Transport & Services (formerly HACC)

Port Broughton Community School Library

Bute 2000 Onward Committee

Barunga Village Board

Councillor Michelaine Barker

Barunga West Road Safety Group

Remuneration

Elected Members each receive an annual allowance in accordance with the Local Government Act 1999 and with the Local Government (Members Allowances and Benefits) Regulations 1999.

For the reporting period concluding 30th June 2016, the following allowances were paid:

*Note changes to allowance rates approved by Remuneration Tribunal November 2015.

Elected Member	Allowance August-October 2015	Allowance Nov 2015 to July 2016	Total allowance 2015/16
Mayor	\$5,700	\$17,295	\$22,995
Deputy Mayor	\$1,781	\$5,405	\$7,186
Elected Members	\$1,425	\$4,324	\$5,749

In addition, the elected members also have the opportunity to claim for travelling expenses for attending Council meetings or as a representative of Council to committees for which they are appointed as a Council representative, should a Council vehicle be unavailable. Travel allowances are paid in accordance with the rates set by the Australian Taxation Office after an appropriate expenses claim form is submitted.

For the reporting period concluding 30th June 2016, direct travelling allowances were paid in the total sum of \$3,649.55

Committee Allowances

Audit Committee Chairperson - \$300 per meeting, plus travelling allowance.

Independent Council Development Assessment Panel Chairperson - \$150 per meeting, plus travel allowance. For this reporting period there were no meetings attended.

Independent Council Development Assessment Panel Members - \$100 per meeting, plus travel allowance. For this reporting period there were no Development Assessment Panel meetings.

Elected Member Training

In accordance with Section 80A of the Local Government Act 1999, Council conducted a review of its Council Member's Training and Development Policy on 23rd November 2010. Funding is made available annually for elected members to attend conferences, training and development sessions to ensure that the elected representatives are kept abreast of development within the local government sector.

In November 2014, new mandatory training requirements have been introduced through changes to the Local Government Act 1999, requiring all Elected Members to complete a prescribed range of training activities within 12 months of a local government election.

The following training and development activities were undertaken in the 2015/2016 financial year:

- Local Government Association Roads & Works Conference;
- Local Government Association Ordinary & Annual General Meeting;
- Local Government Association Mayors & Chairperson seminar;
- Council Informal Gatherings and Workshops;
- Council Budget Workshops;
- Central Local Government Region meetings.
- Norman Waterhouse Elected Member training.

For the reporting period concluding 30th June 2016, the sum of \$6,386.89 was expended on Elected Member training



Information Statement

This information statement is published by the District Council of Barunga West in accordance with the requirements of the Local Government Act 1999, as amended. The District Council of Barunga West is pleased to comply with the legislation and welcomes inquiries. An updated Information Statement will be published at least every 12 months.

Structure and Function of Council

Full Council

Full Council consists of nine members with one being the Mayor (as appointed by the elected members, and not at large), and is the decision making body on all policy matters. This was reduced from ten members, following an Electoral Review conducted by Council during 2009/2010.

Ordinary meetings of full Council are held on the second Tuesday of every month at 7:00pm. Meetings are held on a six monthly rotation at both the Port Broughton and Bute Council Chambers. Members of the public are welcome to attend.

Committees

Committees have been formed to streamline Council's decision making process, namely:

Executive Committee – *meets as required*

Audit Committee – *meets at least 4 times annually*

Development Assessment Panel – *meets as required*

Agendas and Minutes

Agendas of all full Council and Committee Meetings are placed on public display at Bute and Port Broughton, and Council's web site, not less than three days prior to those meetings. Minutes are placed on display, within five days of that meeting at both offices, as well as being available on Council's website.

Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are reviewed annually as required by legislation.

Council makes decisions that direct, and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the resources which are to be made available to undertake such works and services.

Services to the community

Council makes decisions on policy issues relating to services that are provided for members of the public. These services include:

Town Planning	Tourism initiatives
Animal Management	Ovals
Local Strategic Planning	Libraries
Food Safety Inspections	Reconciliation and working with the Narrunga people
Development Assessment	Stormwater Drainage
Street Lighting	Traffic Management
Garbage Collection And Disposals	Information Services
Community Development Programs	Walking Trails / Cycling Tracks
Online Service	Employment Training Programs
Tourism Information and Support	Community Leadership
Festivals and Events	Building Inspection
Citizenship Ceremonies	Cemeteries
Business Support	Natural Resource Management
Septic Tank Effluent Disposal Schemes	Building Fire Safety Inspections
Roadside Tree Trimming	Street Sweeping
Public Toilets	Fire Prevention
Centrelink Agency	Environmental Health
Local Representation	Pest Plants and Animal Control
Economic Development	Local Road Construction & Maintenance
Footpaths	Parks and Gardens
Caravan Parks	Reserves, Picnic and Camping Areas
Coastcare and Projects	Free Internet in Libraries
Boat Ramp Construction & Maintenance	Service SA Agency
Community Town Halls	Playgrounds
Water Supply	

Public participation

Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council.

These are:

1. **Deputations** – With the permission of the Mayor, a member of the public can address Council or a Council Committee personally or on behalf of a group of residents / interested persons.
2. **Presentations to Council** – With prior notification and arrangement with the Mayor, a member of the public can address Council on any issues relevant to Council.
3. **Petitions** – Written petitions can be addressed to the Council on any issue within the Council's jurisdiction.
4. **Written Requests** – A member of the public can write to the Council on any Council policy, activity or service.
5. **Elected Members** – Members of the public can contact the elected Members of Council to discuss any issues relevant to Council.

Public Consultation

Council has duly adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act 1999.

Council's Policy is underpinned by the following Principles, which are central to effective communication and consultation. Council will:

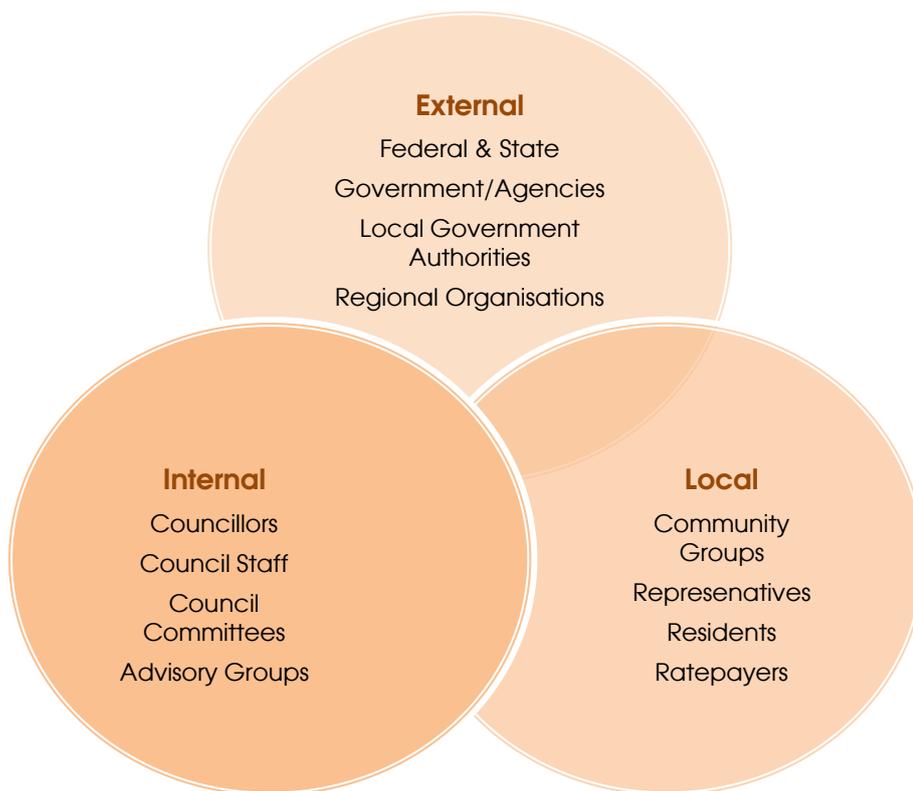
- Identify potential stakeholders in each specific circumstance
- Ensure information is easily understood and accessible to identified stakeholders, and include contact details for obtaining further information in all communications
- A range of appropriate opportunities will be provided for people to access information and to be involved, taking account of local significant barriers to access due to language, geographical distance, disability or cultural issues
- Define the parameters of the consultation process for each specific topic, and identify what aspects of the decision can be influenced by community involvement
- Aim to listen and respond to community views in a balanced way, taking account of all submissions made by various stakeholders
- Keep records and provide feedback about the reasons for decisions where relevant.
- Review and evaluate the Policy to ensure ongoing improvement in the way Council involves the community in its decision – making processes
- Refer to its Strategic Plan to promote Community Satisfaction

Council also adopted a Community Consultation Policy - Capital Works in September 2011, the purpose of which is to enable clear and effective communication for residents and ratepayers who may be impacted by Council undertaking any capital works in a close proximity to their property. The policy relates to capital works that have been approved by Council and does not relate to general maintenance issues.

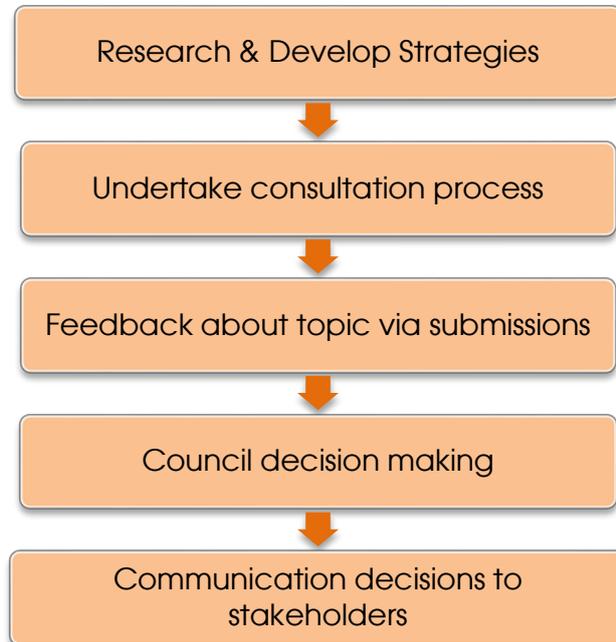
The decision making process

Community consultation is only one aspect of Council's decision making process. Council seeks to take account of the views and aspirations expressed by the community and stakeholders, and balance those with other influences such as budgetary constraints, to make decisions within the context of Council endorsed strategic directions

The following diagram identifies the various stakeholders that Council will consult with, where relevant and appropriate to the matter before it.



The following diagram outlines how Council views its consultation in relation to the decision making process



Access to Council documents

Documents available for inspection

In accordance with Section 132 of the Local Government Act 1999, a member of the public is entitled:

- (1) To inspect the following documents at the Council office during ordinary hours without charge; and
- (2) To purchase the following documents at the Council office during ordinary hours for a fee fixed by the Council, or may be downloaded from the Council website free of charge:
 - Strategic Management Plan
 - Long Term Financial Plan
 - Business Continuity Plan
 - Freedom of Information Statement
 - Annual Business Plan & Budget
 - Annual Financial Statements
 - Annual Report
 - Council Agendas and Minutes for meetings of Council
 - Council By-Laws

Policies
Development Plans
Development Register
Council Registers
Schedule of fees and charges

Other information requests

Requests for information not included in the paragraph “Documents available for inspection” above will be considered in accordance with the Freedom of Information Act 1991. Under this legislation an application fee must be forwarded with the completed request form, unless the application is granted an exemption.

Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set out in the Act will apply.

During the 2015/16 year, the Council received one request for information under the Freedom of Information Act.

Amendment of Council records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Freedom of Information Act. A member of the public may then make application (in the prescribed form) for a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records, a member of the public must complete a Freedom of Information request as indicated above outlining the records that he/she wishes to inspect.

Council designated officer

All enquiries concerning the lodgement procedures for Freedom of Information requests, the procedure for inspecting or purchasing the identified District Council of Barunga West Administrative Policy Documents, Procedures for Access to other Councils documents and Amendments of any Council records concerning the personal affairs of a member of the public are to be directed to:

Freedom of Information Officer
District Council of Barunga West
PO Box 3
PORT BROUGHTON SA 5522

Codes

In accordance with Schedule 4 of the Local Government Act 1999, Council maintains the following Codes:

Section 63	Members Code of Conduct
Section 92	Code of Practice for Access to Meetings and Documents
Section 110	Employees Code of Conduct

Registers

In accordance with Schedule 4 of the Local Government Act 1999, Council maintains the following Registers:

Section 68	Members Register of Interest
Section 79	Members Register of Allowances and Benefits
Section 105	Officers Register of Salaries
Section 116	Officers Register of Interests
Section 120	Staff Register of Interests
Section 188	Fees and Charges
Section 196	Community Management Plans
Section 207	Community Land
Section 231	Public Roads
Section 252	By Laws

Policies

In accordance with the Local Government Act 1999, Council maintains the following policies:

Section 63	Code of Conduct for Elected Members
Section 92	Code of Practice – Access to Council Meetings
Section 49	Tendering, Contracting and Disposal of Land
Section 50	Public Consultation Policy
Section 77(1)(b)	Elected Member Allowance & Benefits Policy
Section 80A	Council Member’s Training & Development Policy
Section 110	Code of Conduct Employees
Section 125 & 270	Internal Review of Council Decisions Procedure
Section 125	Internal Controls Policy
Section 259	Order Making
Section 302(b)	Whistleblower Policy

Community Land

Council has not been required to update or finalise any community land management plans under the provisions of the Local Government Act 1999 (Chapter 11).

Council will, though, review and update the Community Land Management Plan as part of the ongoing land division proposal for Fisherman Bay, where various land parcels will be expected to be created and dedicated to Council's care & control.

Requests for internal review of decision by council Section 270(8)

In accordance with Section 270 of the Local Government Act, the Council has established a Policy for an Internal Review of Council's decisions. During 2015/2016 there were no applications for a review of Council's decisions.

Confidentiality provisions

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 is considered necessary and appropriate to enable that meeting to receive, discuss or consider a matter in confidence.

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

Council chose to invoke Section 90(2) ten (10) times during the year, during eight (8) separate meetings.

The reasons for invoking Section 90(2) were as follows:

Disclosure of personal affairs – Five (5) times

Disclosure of personal affairs and commercial information – Four (4) times

Legal advice – One (1) time

Confidential Documents

Section 91(1) – (6) of the Act generally provides that minutes of meeting proceedings must be kept and made available for public inspection. However, Section 91(7) provides that a Council or its committees may order that confidential documents may be excluded from general public accessibility.

Council chose to invoke Section 91(7) fourteen (14) times during the past twelve months.

Application of Competition Principles

The District Council of Barunga West is committed to the application of national competition principles, the process for which is set out in the “Statement on the Application of Competition Principles for Local Government” known as the Clause 7 Statement.

All councils in South Australia are required to identify activities that they are involved in which would be classified as “significant business activities” as defined in the National Competition Policy.

In broad terms “significant business activities” are defined as those activities where the costs are met predominately from the user, rather than from rates to other revenue sources, and Council is conducting the activity with a view of earning a return, rather than meeting a community need that would not otherwise be met. The National Competition Policy is not intended to apply to non-businesses, non-profit government activities.

Any identified “significant business activities” must then be categorised further into category one and two activities.

Category One-business activities are those with annual revenue in excess of \$2 million, or employing assets with a value in excess of \$20 million.

The District Council of Barunga West has not identified any category one significant business activities.

Category Two business activities are those that either generate income or consume resources and which are significant to the Council concerned.

The District Council of Barunga West has identified the operation of two Rural Transaction Centres as category two business activities.

The two Rural Transaction centres operate the following services:

Port Broughton

Human Services (including Medicare and Child Support)
Services SA

Bute

Australia Post

National Competition Policy

The National Competition Policy principles also extend to the application of Council Bylaws and the extent that their application may restrict competition.

Council has independently reviewed all its by-laws against this principle, resulting in amendments to ensure that the competition principles are adhered to.

Competitive Tendering & Service Reviews

During the reporting period, Council has not received any complaints about the application of competitive neutrality.



Human Resources

Human Resource Management Initiatives

The following information is provided in accordance with Schedule 4, s.2(d) of the *Local Government Act 1999*, where the implementation of human resource management programs must be reported on in the Annual Report.

There are currently several initiatives in progress throughout the team at Council. One of the major initiatives is to implement Human Resource policies and procedures across the business to streamline employee conditions of employment. This is an ongoing initiative which has included consultation with all employees to produce a set of guidelines maintaining transparency and clarity.

The 'One Team' program has maintained its importance across all business areas and is consistently being referred to within meetings and in general discussions. It is a key driver within the team and one that will continue to be focused on with our day to day operations.

Employee Statistics

Statistics as of 30 June 2016

Status of Employment		
Permanent	17	74%
Part time	5	22%
Casual	1	4%
TOTAL STAFF	23	100%

Breakdown of Services		
Corporate Services	14	61%
Infrastructure Services	9	39%
TOTAL STAFF	23	100%

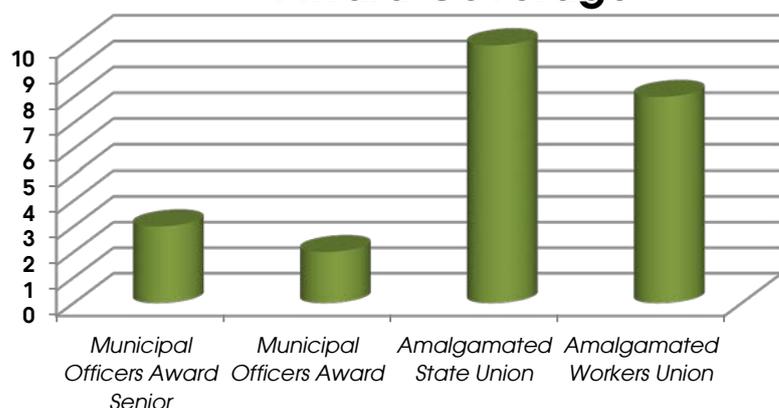
Gender		
Female	12	52%
Male	11	48%
TOTAL STAFF	23	100%



Administration employees are employed under an Enterprise Agreement which covers a three year period from January 1 2014 to December 31 2016.

The Works employees are covered by an Enterprise Agreement which was negotiated with the Australian Workers Union. The Agreement is current from April 1 2015 to 31 March 2018.

Award Coverage



Staff Updates

The shared service arrangement with the District Council of Copper Coast is proving to be a successful venture and one that is maintaining productivity and efficiency across the Development team.



An opportunity within Council was identified for a dedicated HR Advisor. This role is to undertake the full scope of the human resources function including but not limited to, recruitment, performance management, HR administration, compliance and HR advisory. Jane Hewett was appointed into this role upon her return from maternity leave.

Lucy Kennewell was appointed as the Personal Assistant to the CEO & Mayor as a permanent part time employee.

After 36 years of service, Council farewelled Graham Manners from the Works team as he headed into his retirement phase of life. Graham was commended for his long standing service to the Council and was wished all the very best for his next chapter.

Graham was replaced by a new employee, Shane Dyson. Shane commenced work in May 2016 and comes to the Council with previous Local Government experience. Shane is welcomed to the team.

The ANZ Banking Group made a decision that all Local Link Agency arrangements were withdrawn on the 22nd March 2016, thus resulting in the position of Administration Officer serving the ANZ Agency Terminal in Port Broughton redundant. Jodi Beaumont was farewelled from the team and sincerely thanked for her years of service to the Council.

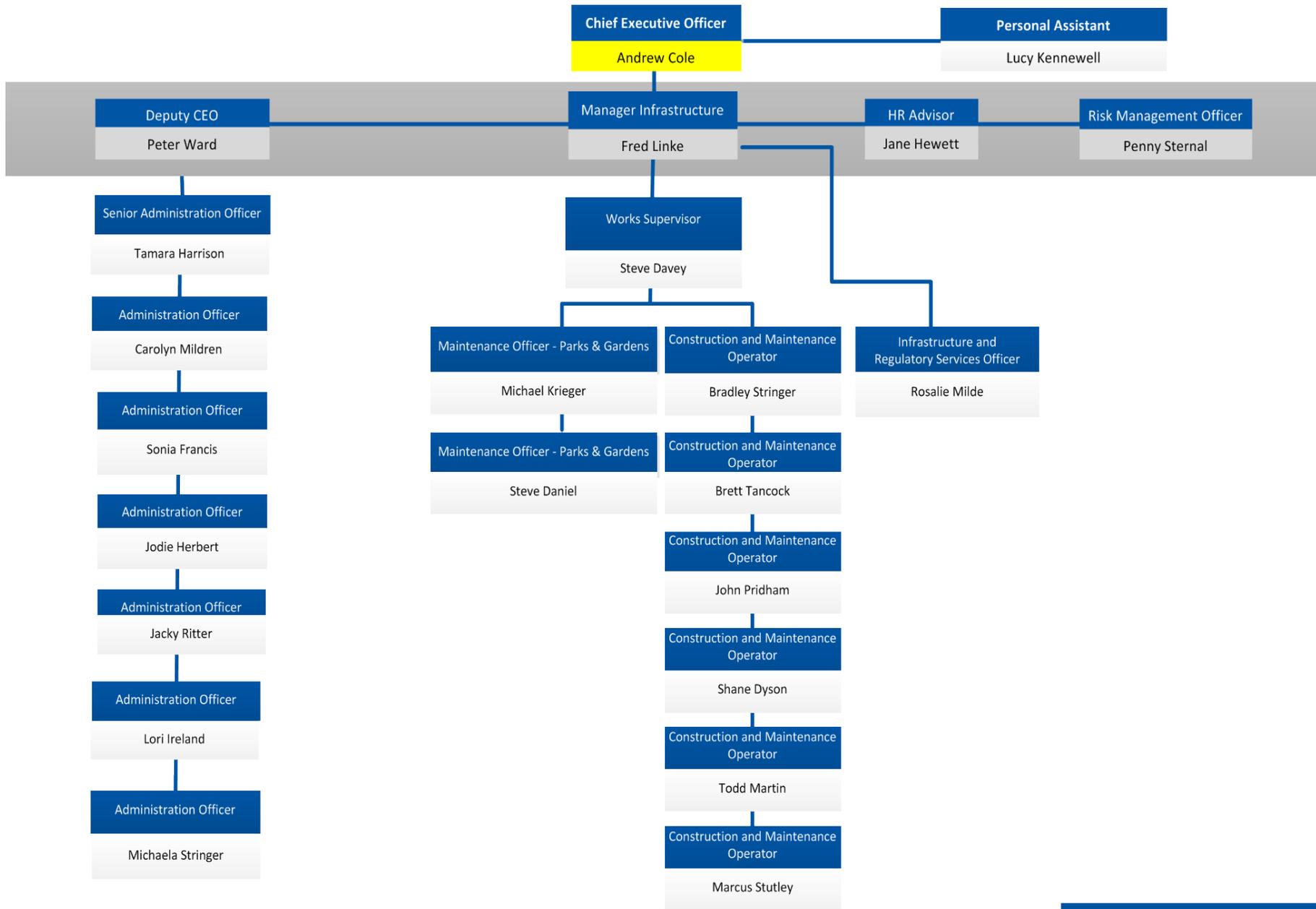


Register of Salaries

The following information is provided in accordance with Schedule 4, s.1(g) of the *Local Government Act 1999*. All staff salaries & allowances are recorded in the Register of Salaries & Allowances, which is available for inspection at Council's Principal Office at 11 Bay Street, Port Broughton.

Position Title	Classification	Allowances
Chief Executive Officer Andrew Cole	Individual Contract	<ul style="list-style-type: none"> - Restricted private use of Council maintained vehicle pursuant to Council Policy; - Annual performance review; - Subsidised rental accommodation; - Membership fees to maintain membership subscriptions to approved professional associations; - Provision of an Ipad and mobile phone.
Deputy Chief Executive Officer Peter Ward	Municipal Officers Award Level 3/3	<ul style="list-style-type: none"> - Restricted private use of Council maintained vehicle pursuant to Council Policy; - Payment and rental and all outgoing Australian calls from private phone, in accordance with Council policy; - Subsidized rental accommodation; - Provision of an Ipad and mobile phone
Manager – Infrastructure Services Fred Linke	Municipal Officers Award Level 2/3	<ul style="list-style-type: none"> - Restricted private use of Council maintained vehicle pursuant to Council Policy; - Payment and rental and all outgoing Australian calls from private phone, in accordance with Council policy; - Provision of an Ipad and mobile phone

Organisational Chart



As at June 2016

Full Staff Listing



Administration

Chief Executive Officer	Andrew Cole
Deputy CEO.....	Peter Ward
Personal Assistant	Lucy Kennewell
Risk Management Officer.....	Penny Sternal
HR Advisor	Jane Hewett
Infrastructure & Regulatory Services Officer.....	Rosalie Milde
Senior Administration Officer.....	Tamara Harrison
Administration Officer	Carolyn Mildren
Administration Officer	Jodie Herbert
Administration Officer	Jacky Ritter
Administration Officer	Lori Ireland
Administration Officer	Sonia Francis
Administration Officer.....	Michaela Stringer

Development and Environmental Services

These functions are resource shared with the District Council of the Copper Coast

Works – Construction

Manager Infrastructure Services.....	Robert Linke
Works Supervisor.....	Steven Davey
Construction and Maintenance Operator	Shane Dyson
Construction and Maintenance Operator	John Pridham
Construction and Maintenance Operator	Bradley Stringer
Construction and Maintenance Operator	Brett Tancock
Construction and Maintenance Operator	Todd Martin
Construction and Maintenance Operator	Marcus Stutley

Works - Maintenance

Maintenance Officer – Parks and Gardens.....	Steven Daniel
Maintenance Officer – Parks and Gardens.....	Michael Krieger

Jane Hewett

Human Resources

Risk Management

The District Council of Barunga West organisational Risk Management culture is evolving. This provides Council with an opportunity to nurture commitment amongst staff to improve the overall understanding of risk management, for both internal & external stakeholders of Council.

Council is striving to improve the risk management culture in line with the results of the annual Mutual Liability Scheme risk assessments. This includes development of a Strategic Risk Profile with reference to the objectives of the Strategic Management Plan. This will lead to a proactive management of risk, rather than a reactive approach to incidents.

Following the 2015 Local Government Mutual Liability Risk Services assessment, Council developed and implemented an Integrated Risk Management Plan (the Plan). Guidelines within the Plan ensure that there is a consistent structured approach assisting in assessment and treatment of risk within the Council. To achieve this goal, there needs to be tangible commitment and response to the Plan from all levels within Council.

The Plan identifies category, source, descriptors & accountability of organisational risk, and acknowledges Council's acceptance & tolerance for various levels of risk. Each Council department owns and accounts for their risk categories and ensures that there are treatments in place to avoid negative impact on the organisation.

The LGRSMLS risk audit has shown the ten assessment elements where Council has opportunity for improvement. The key areas are Strategic Risk and Governance.

Statistical review results show DCBW sits below state-wide audit results, however it is within the Regional Council average.

Council staff have made a commitment to improve the risk outlook from the current levels.

Work Health and Safety

As a practicing member of Local Government Risk Services and their Work Health & Safety Risk Management Services, a commitment from Council is a condition of membership.

Following on from this commitment is the need for constant review of our systems and processes. Council staff has identified areas for improvement, and will implement and monitor those improvements as part of the continuous improvement process.

Each year Council is audited against Performance Standards for Self-Insurers to test the validity and effectiveness of our systems with differing elements focussed upon each audit.

WHS audit results from 2015/16 were satisfactory with consideration given to resources, workload and audit criteria. Council's primary areas of high risk are Contractors and construction activities. Operationally most of the tasks performed by the Works crew and Contractors are, in accordance with legislative interpretation, deemed high risk. High Risk works require stronger controls implemented, stringent monitoring, to ensure all stakeholders a low-risk work environment, as low as reasonably practicable.

Monitoring these activities is a priority in the risk management process, however with limited resources it can be difficult to achieve satisfactory outcomes. On the other hand, reported incidents are acceptably low.

The Local Government Risk Services Workers Compensation Scheme provides resources for Council to participate in a Tailored Implementation Program. This program identifies areas where guidance, training & improvement are required to assist development of processes in improvement and implementation.

As part of this process, hazard management will be of primary focus. Extensive prioritisation will be given to high risk hazard assessments, review of existing profiles & registers and providing improvement assistance. Further to this, documentation and records for Council Preferred Contractors shall be reviewed with intent toward establishing a 6 monthly review of all contractors, with preference directed toward high risk work.

Commitment is forthcoming from the leadership team toward this procedure of managing our contractors in line with both our legislative requirements and our documented procedures & processes.

Training has an integral role toward ongoing management of internal & external risks with regard to work health and safety. Emergency Management training is a high priority within Council. A desired outcome for 2016/17 is personnel trained in Emergency Management Response.

Further to this is the development & implementation of an Emergency Desktop Exercise run in conjunction with SA Police and other support agencies, with the purpose of testing Council's Business Continuity Plan. It is anticipated the exercise will provide a practical demonstration of the strengths and weaknesses of the Plan.

The organisation has been fortunate over the past three years with zero compensable work injuries. However this is no cause for complacency, and Council remains firmly committed to developing procedures and processes that ensure a safe work place for all stakeholders.

Work Health and Safety Statistics

1		WHS legislative requirements	
	Number of notifiable occurrence's pursuant to WHS Act Part 3 Incident Notification Section 35		0
	Number of notifiable injuries pursuant to WHS Act Part 3 Incident Notification Section 36		0
	Number of notices served pursuant to WHS Act, Part 10 Division 1. Section 191		0
2		Injury Management legislative requirements	
	Total number of employees who participated in the rehabilitation program		0
	Total number of employees rehabilitated and reassigned to alternative duties		0
	Total number of employees rehabilitated back to their original work		0
	Number of open claims as at 30 th June		0
	Rebate loss ratio		NA
3		Number of claims	
	Number of new workers compensation claims in the financial year		0
	Number of fatalities, Medical Treatment Only, Lost time injuries		0
	Total number of whole working days lost		0

Penny Sternal

Risk Management Officer

Development, Planning & Environment

Council continues its Shared Services Agreement with the District Council of the Copper Coast in relation to services for Planning, Development and Environmental & Health Services. This has provided Council with the opportunity to network between staff and assist each other in the improvement and implementation of a variety of systems.

250 Customer Requests were received by Development Services staff, coupled with telephone and counter enquiries, development application assessment and administration, this constitutes a large part of Development Services tasks.

The Planning Officer and Building Officer attend the Port Broughton office one day per week, with the Planning Officer attending an additional day per fortnight to conduct additional assessment of applications. They continue to conduct Development Application assessment, Planning and Building Rules Assessment approvals, perform site inspections, meet with stakeholders where required, handle telephone and counter enquiries, and liaise with administration staff to ensure continuous improvement of services is delivered within specified timeframes and legislative requirements.

Health and Environmental Services staff continues to provide a high level of service to ensure compliance, information to stakeholders and positive customer service. Improved systems and reporting, including Wastewater applications, Food Premise inspections and liaison with government bodies such as SA Health has ensured compliance and legislative requirements are met.

Planning & Building Department

Planning

Planning staff continue to ensure development applications are processed within legislative time requirements.

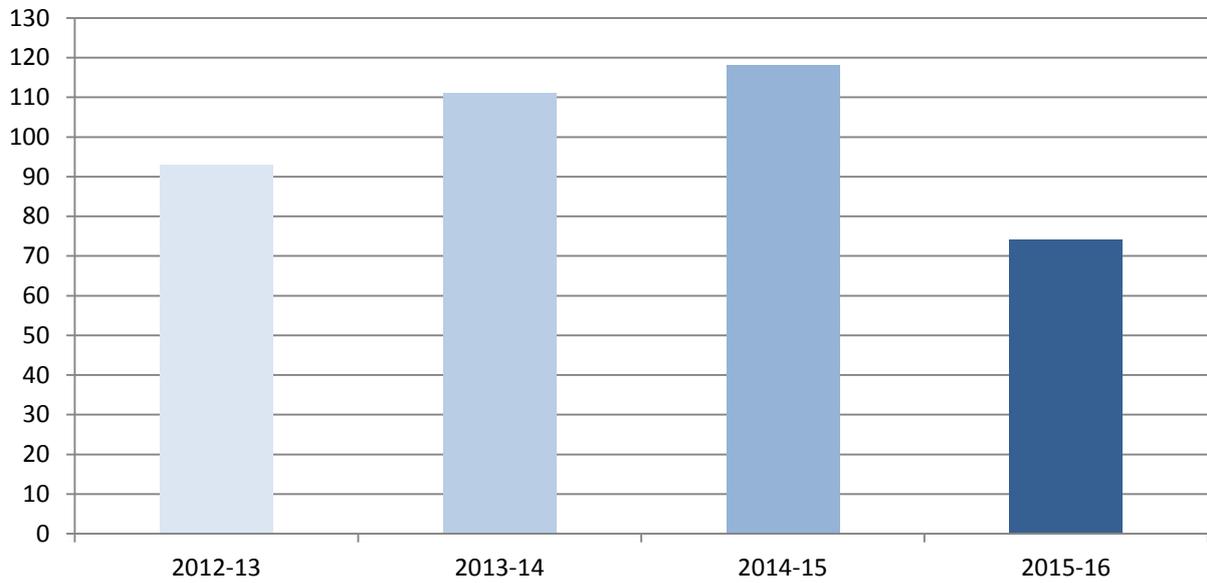
The majority of applications processed under the Development Act were Category 1 applications that do not require public notification and are dealt with by Council's delegated Development Officers.

Application numbers were down on previous years to 74 applications. Analysis shows the type of approvals reduced in each category.

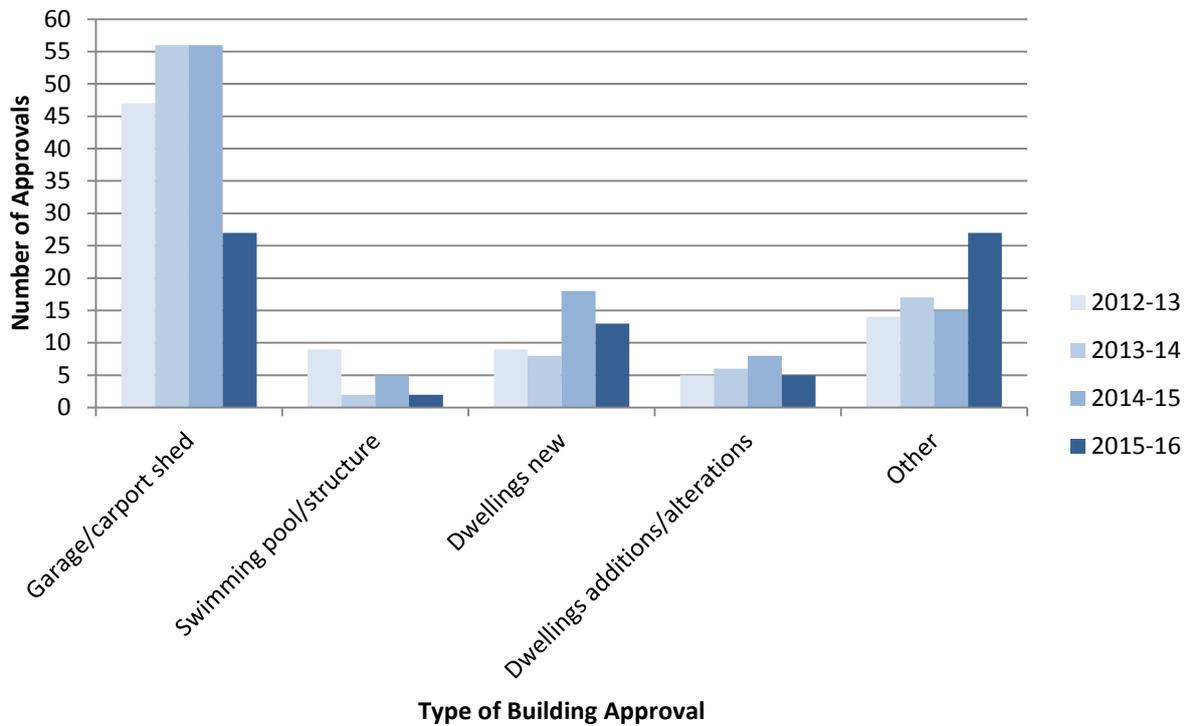
The majority of application types include the construction of dwellings, dwelling additions and/or alterations, garage/carports, farm buildings and swimming pools.

Other types of approvals included Demolition (6 properties), Public Structures (including bus shelters), Commercial Development and Property Re-Classification.

Total Number of Development Applications Lodged



Building Approvals



The Development Assessment Panel was not required to meet for 2015/2016.

Land division applications received numbered two (2), resulting in ten extra allotments being created in Port Broughton.

The value of developments for this year is \$3,734,862.23.

Fisherman Bay Residential Built Form Development Plan Amendment (DPA)

The Council submitted a Fisherman Bay Residential Built Form Development Plan Amendment Statement of Intent (SOI) to the Minister for Planning in January 2016. This submission is the initial phase of working towards updating Council's Development Plan.

The Council is seeking to amend the Development Plan to introduce more up-to-date and targeted built form/urban design policy for future residential development at Fisherman Bay. These guidelines or principles of development are intended to take account of the unique nature of the Fisherman Bay location and the smaller allotment size.

The DPA does not seek to alter zone boundaries or rezone any additional land for urban proposes, but simply to improve on the current limited residential built form policy as it relates to the existing coastal settlement of Fisherman Bay.

The Fisherman Bay Residential Built Form Development Plan Amendment was approved for commencement by the Minister of Planning on the 29th of June 2016.

Council continues to utilise the services of Planning Consultant, Mr David Altmann, from consulting firm Development Answers. Mr Altmann continues to provide his expertise and advice in the processing of Development Plan Amendments, Land Divisions and Fisherman's Bay Management Pty Ltd proposed free-holding subdivision, among other consultation services.

Building

Building staff continue to provide prompt assessments for Building Rules Assessment approvals. The Building Officer continues to utilise the services of Mr Peter Harmer, of CLG Harmer, Building Surveyor when required.

The aim of the building area is to meet Councils statutory responsibilities in regard to assessment, compliance, building fire safety and building inspections.

Building Inspections are conducted where possible. The mandated level of inspections for building rules consents continues to be a challenge for Council with no staff permanently on site. The Building Officer attends inspections where possible and maintains open communication with staff and stakeholders in relation to inspections.

The Building Fire Safety Committee has continued to hold regular meetings and conduct regular inspections on buildings in the district to ensure an acceptable standard in fire safety (other than domestic buildings) is maintained.

Development Services

The Development Services Department provides services for a variety of areas within Council including the Management of:

- Planning
- Building
- Health
- Mosquito control
- Wastewater Control System Applications
- Food Inspections

The State Government have introduced sweeping reforms to Planning structures in South Australia. The Development Act 1993 will be replaced in stages over coming years to the SA Planning, Development and Infrastructure Bill 2016. Whilst it is still unclear how these changes will affect Councils, there will be changes in the way development applications are assessed, which in turn may affect Council's Development Services structure.

DAP Members

The District Council of Barunga West's Development Assessment Panel (DAP) consists of 3 Council Members, 3 Independent Members, and an Independent Presiding Member.

From the Council meeting of 18 November 2014, the DAP members are:

- | | |
|----------------------|---------------------------|
| • Independent Chair | Mr John Meier |
| • Independent Member | Mr Steve Horsell |
| • Independent Member | Ms Kelly Rosenberg |
| • Independent Member | Mr Dean Rodda |
| • Council Member | Deputy Mayor Dean Dolling |
| • Council Member | Cr James Bettess |
| • Council Member | Cr Michelaine Barker |

Environmental and Health Services

Environmental and Health Services within Council has continued to grow through the Shared Services Agreement with The District Council of the Copper Coast. Staff of both Councils have established strong working relationships, which has contributed to the establishment of improved Records Management, Reporting and Operational Structures to ensure service standards to the Council area are delivered at a high standard.

Statutory reports under the SA Public Health Act are submitted within required timeframes through improvement of reporting systems and positive communication between staff of both Councils.

Council has continued its Public Health Regulations responsibilities. Programmes include:

- Mosquito control using baiting program;
- Communicable disease management;
- Waste disposal systems management; and
- Community Wastewater Disposal system.

Council has participated in the SA Health – Mosquito Surveillance and Arbovirus Prevention Subsidy Programme since 2012.

Staff conduct regular inspections of mosquito control stations, and continuously monitor and treat mosquito activity from the months of September through to the end of April each year.

The summer of 2015/2016 provided perfect climatic breeding conditions for salt water mosquitos in South Australia due to tide and temperature combinations.

As a consequence, there was a rise in mosquito activity. Council and SA Health conducted a joint review of the mosquito surveillance programme, to ensure current baiting structures were being conducted in the most effective way.

As a result of this review, SA Health commended Council staff for its high standards and work practices, assuring Council everything possible was being done to manage mosquito and larvae numbers.

A Mosquito Trapping & Identification Report was provided by UniSA, which confirmed salt water mosquito's were present in the area.

Further monitoring will continue for the 2016/2017 season.

Council remains committed to supporting the school based immunisation programme and appreciates the dedicated support of the local Medical Practitioners at the Port Broughton Medical Clinic. Their continued commitment to this programme ensures this service can continue within our community.

Rosalie Milde

Infrastructure & regulatory services officer



Infrastructure

Overview

The Infrastructure Services Department aims to provide the highest standard of service within the local community, not only finding ways to improve its internal systems but to strive to provide continuous improvement in work standards, efficiencies and customer service.

All staff strive to provide a high level of Customer Service, taking great pride in the local community, ensuring needs are met where possible.

Council has a commitment that its facilities & amenities are well maintained, not only for local residents, but to promote and attract tourists and visitors alike.

Maintenance is scheduled throughout the Council area on a regular basis.

Council's staff work towards ensuring facilities are clean and well presented, cemeteries respectfully maintained, an ongoing improved road network regularly inspected and graded, waste management run effectively and efficiently, harnessing the local environment by maintaining our natural resources whilst reserves are neatly presented for all to enjoy.

Legislation, among other things, requires Councils in this State to provide a greater emphasis on long term financial planning. A key focus of Council is to continually revise and develop financial strategies aimed at working towards improved financial sustainability and asset management.

After 37 years of faithful service, Mr Graham Manners retired at the end of June 2016.

Graham commenced employment with the District Council of Bute in 1989, and has contributed to Council's development and growth through the amalgamation of The District Council of Bute and The District Council of Port Broughton, to Council as it stands today.

Graham's knowledge and expertise will be sorely missed.



Asset Management

Council manages the infrastructure and other assets within the area on behalf of the community. Council has conducted a review of the Road Network. Council's Infrastructure – Road Assessment Methodology was adopted by Council as a method of assessing the road network. This document provides data for each road segment, with the aim of maintaining roads in accordance with these standards.

They manage the control of these assets efficiently and effectively ensuring decisions made work towards the future development and planning of infrastructure and asset management within the Council area.

The goal of asset management is to meet a required level of service, in the most cost effective manner, through the timely management of assets for not only the present, but future needs and requirements.

Consideration is always given to the challenges relating to Asset Management:

- Regards to service levels;
- Financial Management;
- Legal & Regulatory matters including Risk Assessment;
- Ensure assets are managed and maintained;
- Policy and Procedure development to ensure operation controls are meeting Council objectives and requirements;
- Ensure accurate and appropriate records of assets are created and maintained;
- Review and monitoring of achievements, requirements and expectations, and;
- Regularly review and link both the asset management plan and the long-term financial plan.

Infrastructure

Council has 930.765 kilometres of road network, as follows:

Type	Length (kms)	Percentage (%)
Sealed – Built Up	33.98	3.65
Sealed - Non Built Up	38.34	4.12
Formed - Built Up	6.61	0.71
Formed - Non Built Up	747.125	80.27
Unformed	104.71	11.25
TOTAL	930.765	100.00

Councils Road network

Patrol Grading is carried out throughout the year on Council's road network.

Council has three (3) Grading Contractors continuously grading and maintaining roads within Council.

Council staff complete construction and re-sheeting of roads scheduled within the current budget.

Roads are constantly monitored by Staff and Elected Members, areas of concern dealt with in the most appropriate manner taking into consideration priority, finance and proximity of plant.



Stakeholders are encouraged to report any concerns, either through written communication, email or Council's Customer Service Request Form.

Capital Roadworks 2015-16

Type	Road	Amount
Formed - Non Built Up	P Kochs Road	\$70,401
	R Wehrs Road	\$42,494
	Church Road	\$55,159
	Tickera-Alford Road	\$37,500
	Read Road	\$159,251
	Haldanes Road	\$36,663
Other	Port Broughton Bowling Club Car Park	\$57,466
	Spencer Highway	\$250,000
TOTAL		\$708,934

Tree Trimming

Council acknowledges the importance of roadside vegetation and maintenance. Tree trimming is conducted on a rotational and needs basis throughout the road network, in accordance with Council's Native Vegetation Roadside Management Plan and Infrastructure – Roads Assessment Methodology, ensuring the implementation of guideline standards, safe passage of vehicles, farm machinery and road transport.



Animal Management

There has been an increase in the number of animals, in particular, dogs, found wandering within the Council area. Council aims to encourage and educate responsible and accountable animal ownership, highlighting their responsibilities and obligations through the media, advertising and social media.

Council recorded 584 registered dogs in the 2015-16 financial year, and handled the following number of issues:-

Issue	Number
Barking Complaints	8
Wandering Dogs	20
Dogs returned to Owners	5
Dog Impounded	3
Dog Impounded then returned to Owner	2
Dog harasses person	1
Dog attacks person (police issue)	0
Dog harasses animal	1
Dog attacks animal	2

Kerbside Waste Management

Council has a weekly collection (Monday) of putrescible waste (ordinary garbage).

Recycling collections occur on the first, second and third Fridays of every month for organic matter (garden waste), recyclables (tin, glass, aluminium, rigid drink containers and the like) and paper and cardboard.

Bins utilised are:

- Red Lid – General Waste Rubbish
- Lime Green Lid – Organic Garden Waste
- Yellow Lid – Recycling
- Green Lid – Paper and Cardboard only

Council encourages residents to recycle and is constantly working towards distributing further information and educational materials for the general public.

There is a participation rate of 65.6% for bin services.



Waste Transfer Stations

Council has two Waste Transfer Stations located at Port Broughton and Bute. These locations deliver a range of positive outcomes in waste management in the region including:

- The Environmental benefits of the recycling;
- Growing community awareness of and involvement in the recycling of waste
- Cost effective manner to dispose of unwanted materials.

drumMuster

The *drumMUSTER* program provides Australian agricultural and veterinary chemical users with a recycling pathway for eligible empty 'agvet' chemical containers



Once the containers have been collected, they are recycled into re-usable products such as wheelie bins, road signs, fence posts and bollards.

The *drumMUSTER* service benefits both the user, the environment, industry and the wider community by providing a reliable, cost effective and sustainable option for the recycling of empty eligible agvet chemical containers.

The service is provided at both Waste Transfer Stations, with bookings for drop-off of empty containers done by arrangement through Council staff.



Fire Prevention

Council conducts regular block inspections to assess bushfire hazards, issuing appropriate remedial work orders and slashing where required, and also controls the issue of fire permits within season.

The District Council of Barunga West Fire Prevention Committee meets regularly to discuss Fire Prevention and the coordination of services within the Council area.

Fred Linke

Manager – infrastructure services

Results for 2015-16

Council reported a gross Operating Surplus of \$13,413 for the year ended June 30 2016, compared to an original budgeted deficit of \$666,785 for 2015/16, and an actual gross deficit of \$998,262 in 2014/15. The comparison is detailed in the table below.

	2014-15	2015-16	2015-16
	Actual	Budget	Actual
Operating Income			
Rates	3,807,336	4,042,615	4,036,205
Statutory Charges	51,173	56,380	60,076
User Charges	292,610	293,110	390,480
Grants	694,705	817,410	977,928
Investment Income	37,815	31,020	31,213
Reimbursements	6,321	299,370	251,341
Other Income	86,468	13,400	94,332
TOTAL INCOME	4,976,428	5,553,305	5,841,576
Operating Expenditure			
Wages & Salaries	1,635,030	1,521,010	1,658,490
Materials & Contracts	2,630,289	2,904,680	2,608,678
Depreciation	1,608,492	1,701,520	1,478,213
Other Expenses	100,879	92,880	82,782
TOTAL EXPENDITURE	5,974,690	6,220,090	5,823,163
Gross Operating Deficit	-998,262	-666,785	13,413
Asset Disposal	-4,018	-15,000	-249,407
Grants for New Assets	110,200		28,000
Physical Resources FOC	29,208		0
Net Operating Deficit	-862,872	-651,785	-207,994
	23,110,210		-10,402,914
Net Comprehensive Income	22,247,338		-10,610,908

Performance in relation to Long Term Financial Plan

In relation to the Long Term Financial Plan (LTFP), Council has been able to reduce its annual gross operating deficit more quickly than forecast in the previous LTFP.

Council achieved this operating improvement due to the increased allocation of Roads to Recovery grant funding, and a private works project on behalf of DPTI.

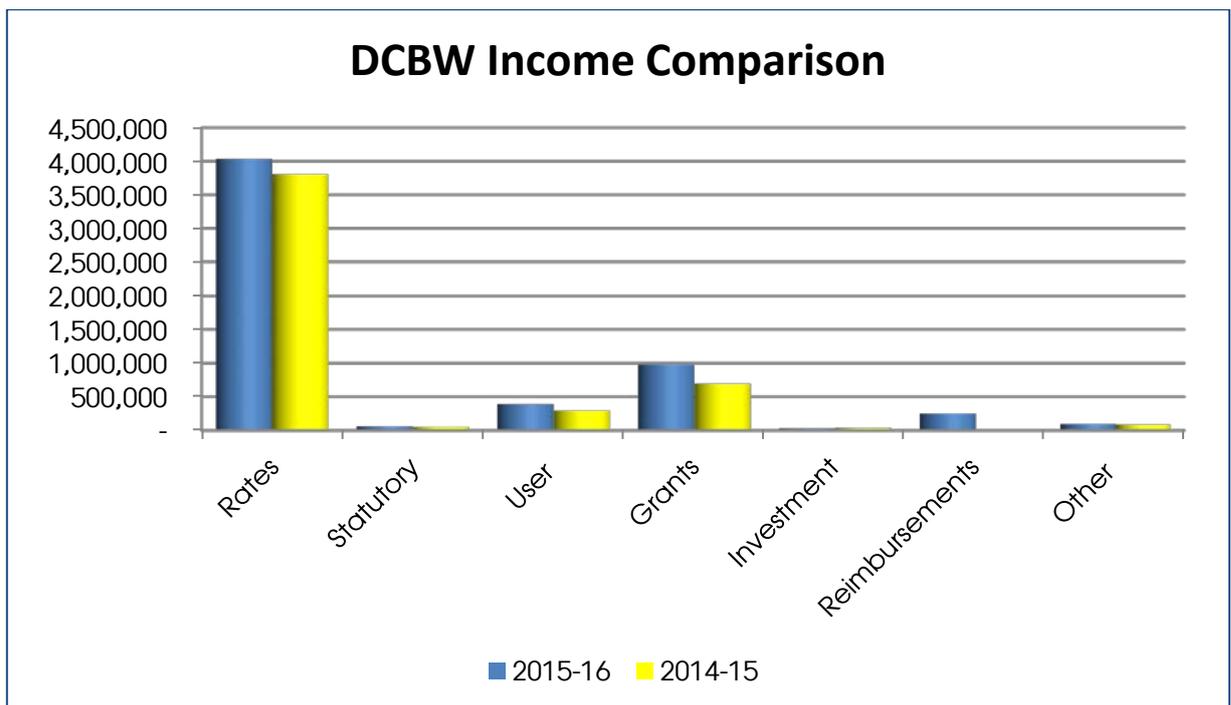
In the years prior to 2015/16, Council incurred significant unbudgeted expenditure as a result of significant structural issues with a long length of the Port Broughton seawall, as well as significant legal costs in a HR matter.

Council has taken constructive action to develop the optimal mix between operating & capital expenditure, as well as reigning in expenditure on legal fees & professional services.

Council has been greatly assisted by the provision of resource sharing arrangements with District Council of the Copper Coast.

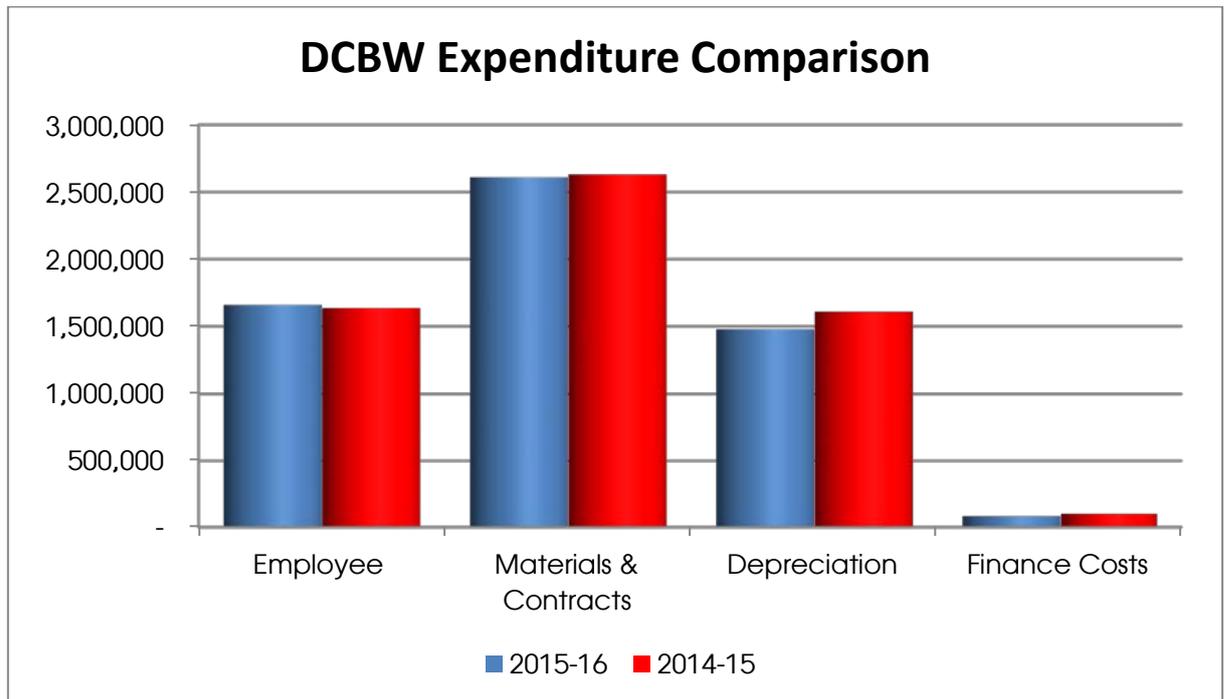
Significant Budget Variations

Income



- General Rates revenue increased by 5.50%, in addition to increases in both CWMS fee income and NRM income. The latter is collected by Council and forwarded to the NRM Board.
- User charges increased due principally to the decision to take over the lease of the Bayside Caravan Park.
- Grant Income increased by \$283,000, the result of an increased allocation from the Federal Government under the Roads-to-Recovery program.
- Private Works income includes a one-off project income amount of \$250,000 for widening of the Kadina - Alford Road.

Expenditure



- \$130,000 decrease in annual depreciation expenditure due to a revision of Unit Costs for Unsealed Roads, after consultation with Tonkins.
- Deferral of \$100,000 CWMS project following further consultation with engineers

Changes in Assets & Liabilities

- Council continues to reduce its outstanding loan balance, anticipated to be \$879,013 outstanding principal at 30 June 2017.
- Council's cash and investment reserves increased by \$66,366 in 2015/16.

2016/17 Annual Budget

- Completion in backlog of capital roadworks identified during revaluation of road assets as at July 1 2014.
- Continued reduction of outstanding loan principal.

Financial Ratios

The **Operating Surplus Ratio** improved from -22.00% in 2014-15 to 0.00% in 2015-16. This ratio expresses the operating deficit as a percentage of general and other rates, net of NRM levy. A negative ratio indicates the percentage increase in total rates that would have been required to achieve a break-even operating result.

Ideally the target for this ratio is 0.00% or better. Council has attained this target in 2015-16 as a result of almost \$500,000 of one-off income detailed above, as well as a reduction in operating expenditure, principally contractors, and a reduction in depreciation expense.

With an anticipated reduction in extraordinary income in the next few years, Council expects to return to a deficit in 2016/17, albeit manageable, with a return to surplus in 2

The **Net Financial Liabilities Ratio** decreased from 25.00% to 11.00%. This ratio measures the extent to which net financial liabilities (Total liabilities minus current cash, financial and debtors) could be met by its net Operating Revenue (Total operating revenue less the NRM levy).

This ratio worsened over the past 5 years due to Council running relatively high levels of debt. Council adopted a course to reduce its outstanding debt, and accordingly this has reduced not only the debt levels, but also Council's cash and investment holdings. This ratio will improve relatively quickly from 2017/18. The initial target is 0.00%, and then a further reduction to negative, which for this ratio is the intended target, i.e. the lower the better.

Asset Sustainability Ratio

The Asset Sustainability Ratio indicates whether a Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Whereas the current annual depreciation is in the order of \$1.5M per annum, the review of all asset classes has determined an annual capital expenditure in the order of \$900-1,000,000. Accordingly, based upon the Asset Management Plans, Council has an Asset Sustainability ratio in the order of 85-100%, but compared to Council's annual depreciation expense, Council is only renewing 55% of its capital stock. Council is reviewing this situation with the auditor and the Audit Committee.

Long Term Financial Plan

Council's draft Long Term Financial Plan 2016-2026 was reviewed during June 2016 and tabled for adoption at the July 2016 Council meeting.

Asset Management Policy

Council has completed the process of revaluing all Council assets for the purpose of establishing updated Asset Management Plans (AMP) to guide future capital expenditure decisions. AMPs were established for Council's Road Infrastructure, CWMS and Stormwater assets. In addition, the Plant Replacement program was reviewed and formalized.

Council will review the Building Asset Management Plan in 2016-17, with external assistance.

Cash Balances

Council held cash deposits and short term investment deposits as at June 30 2016 totalling \$1,020,884 (2015 = \$954,518). The increase in cash balances of \$66,366 was achieved despite loan repayments of \$410,291 in 2015/16.

Bank cash deposits totalled \$336,333 (2015 = \$35,598), and Council had \$684,562 (2015 = \$918,920) invested on an 'at call' basis with the Local Government Finance Authority and the ANZ bank.

Loans

Council has nine (9) loans current as at June 30 2016. The total principal outstanding is \$1,174,796 (2015 = \$1,497,481).

Council took out two (2) of those loans on behalf of Community Groups. A further loan is part funded by the Port Broughton Area School. The Community Groups are responsible for the repayments.

Council took out a loan for the installation of the Port Broughton CWMS scheme in July 2003. The loan amount was \$1,360,000 and the repayments are made from the annual CWMS fee charged as part of the annual rates billing process.

A further loan for the Port Broughton boat ramp is part funded by proceeds from the boat ramp. Council has an existing Cash Advance Debenture for \$150,000 (CAD), and took out another CAD for \$350,000 for a period of 15 years. The CAD allows Council to drawdown funds on a short term basis. Neither of these facilities has been used.

Rural Transaction Centres

The ANZ has discontinued its Council agency at both Port Broughton & Bute. This decision was made by ANZ management, without consultation of Council.

Council maintains an Australia Post facility in Bute.

Audit Committee

Council is required to have an Audit Committee under the Local Government Act. The committee meets at least four times per year and its principal goal is to ensure the integrity of Council's financial and reporting system.

Council appointed Ms Patricia Flood as Independent Presiding Member of the Committee. The Committee met four times during this year, and has developed an Audit Committee Work Plan to ensure that all financial and governance requirements are met.

The Elected Members appointed to the Audit Committee are as follows:

- Ms Patricia Flood, Chairperson (attended 4 of 4 meetings)
- Mayor Cynthia Axford (attended 4 of 4 meetings)
- Deputy Mayor Dean Dolling (attended 3 of 4 meetings)
- Cr Margaret McDonald (attended 4 of 4 meetings)
- Cr Greg Winen (attended 4 of 4 meetings)

Auditor

There were no significant audit issues raised during the year. The current auditor Ian McDonald concludes his 5 year term upon completion of the 2015/16 financial statements.

The provision of audit services will be tendered thereafter.



Community Groups

Council introduced a Community Grants scheme in 2013-14. Council continued to fund various Progress Associations, but decreased the direct contribution to PAs by the amount of the Community Grants.

The following allocations were made under the 2015/16 Community Grants scheme:

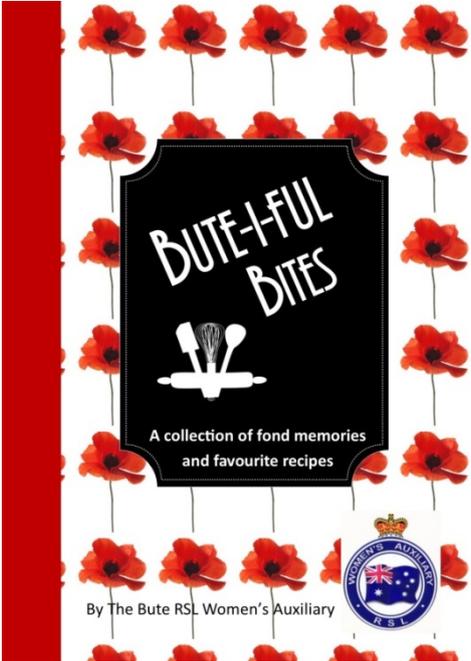
Organisation	Project Title	Awarded amount
Bute RSL	Preserving Local Heritage	\$ 850
Bute Bowling Club	Fencing Project	\$ 2,144
Port Broughton Historical Society	Gutter Replacement	\$ 4,000
Bute Beyond 2000 Progress Committee	Bus Shelter	\$ 2,400
Broughton Mundoora Netball Club	Veranda repair and extension	\$ 3,360
Port Broughton Bowling Club	Kitchen upgrade	\$ 2,000
Bute Community Gym	Air conditioning	\$ 4,000
Port Broughton Combined Sporting Club	Eagles kitchen upgrade	\$ 3,834
Bute RSL Women's Auxiliary	History book	\$ 2,000
Fisherman Bay Progress Association	White goods for new kitchen	\$ 1,000
Mundoora Community Progress Association	Museum shed extension	\$ 4,000
TOTAL ALLOCATED		\$ 29,588

Peter Ward

Deputy CEO

Community Grant projects 2015/16

Bute RSL Women's Auxiliary History Book



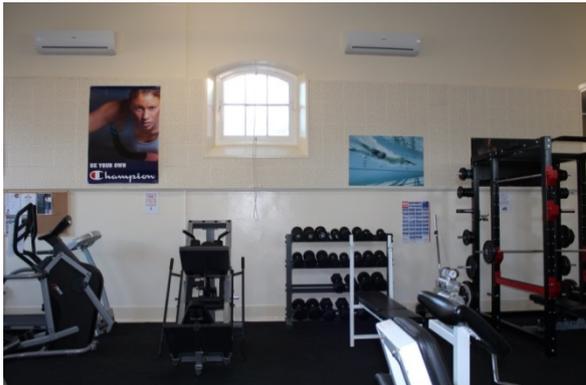
Broughton Muntoora Netball Club veranda extension



Muntoora Community Progress Association Museum Shed Extension



Bute Community Gym air conditioning



Community

Citizen of the Year 2015



Port Broughton Citizen of the Year Mr Max Pietsch (Photo YPCT)



Bute Citizen of the Year Mr Malcolm McDonald (Photo YPCT)



Port Broughton Event of the Year, Fisherman Bay Progress Association's Easter Races



Bute Event of the Year, Bute 2000 onwards committee Christmas party (Photo YPCT)



Port Broughton's Doctor Alison Edwards receiving the award for Community Individual at the Brand SA Regional Awards 2015



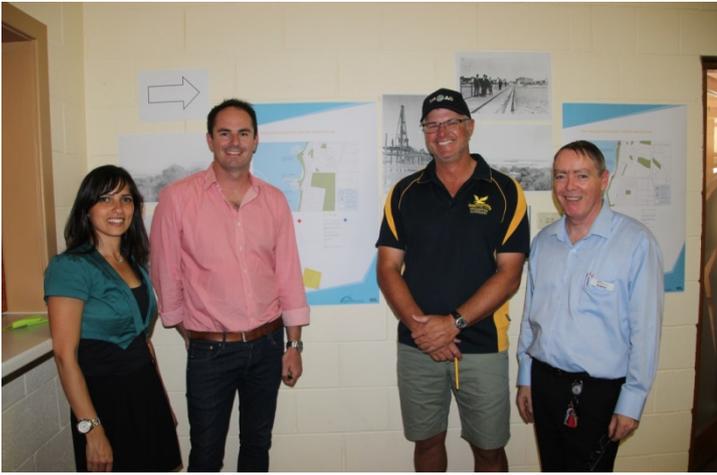
Representatives from Port Broughton's Barunga Village receiving the award for Large Business at the 2015 Brand SA Regional Awards



Official Opening of the Port Broughton Outdoor Gym at the foreshore, 2015



Gunner Bills Gallery received funding for building repairs from the Federal Government's Stronger Communities Grant Program (Photo YPCT)



Development of the Port Broughton Foreshore Master Plan (Photo YPCT)



Port Broughton Christmas Pageant (Photo YPCT)



The beginnings of a Men's Shed at Bute (Photo YPCT)



Port Broughton Sailing & Boat Club Winter Fishing Competition was held again this year (Photo YPCT)

Lifestyle for the future



Appendix A

Annual Financial Statements

District Council of Barunga West

Annual Report 2015/16

DISTRICT COUNCIL OF BARUNGA WEST

General Purpose Financial Reports for the year ended 30 June 2016

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	12
Note 3 - Expenses	14
Note 4 - Asset Disposal & Fair Value Adjustments	15
Note 5 - Current Assets	16
Note 6 - Non-Current Assets	17
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	18
Note 8 - Liabilities	23
Note 9 - Reserves	24
Note 10 - Assets Subject to Restrictions	25
Note 11 - Reconciliation of Cash Flow Statement	26
Note 12 - Functions	27
Note 13 - Financial Instruments	29
Note 14 - Expenditure Commitments	31
Note 15 - Financial Indicators	32
Note 16 - Uniform Presentation of Finances	33
Note 17 - Operating Leases	34
Note 18 - Superannuation	35
Note 19 - Assets & Liabilities not Recognised	37
Audit Report - Financial Statements	
Audit Report - Internal Controls	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	

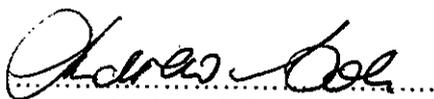
DISTRICT COUNCIL OF BARUNGA WEST

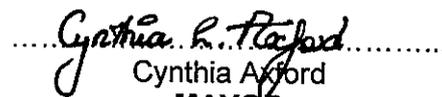
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

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 2015 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.


Andrew John Cole
CHIEF EXECUTIVE OFFICER


Cynthia Axford
MAYOR

Date: 17/10/2016

DISTRICT COUNCIL OF BARUNGA WEST

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Rates	2	4,036,206	3,807,336
Statutory charges	2	60,076	51,173
User charges	2	390,480	292,610
Grants, subsidies and contributions	2	977,928	694,705
Investment income	2	31,213	37,815
Reimbursements	2	251,341	6,321
Other income	2	94,332	86,468
Total Income		<u>5,841,576</u>	<u>4,976,428</u>
EXPENSES			
Employee costs	3	1,658,490	1,635,030
Materials, contracts & other expenses	3	2,608,678	2,630,289
Depreciation, amortisation & impairment	3	1,478,213	1,608,492
Finance costs	3	82,782	100,879
Total Expenses		<u>5,828,163</u>	<u>5,974,690</u>
OPERATING SURPLUS / (DEFICIT)		13,413	(998,262)
Asset disposal & fair value adjustments	4	(249,407)	(4,018)
Amounts received specifically for new or upgraded assets	2	28,000	110,200
Physical resources received free of charge	2	-	29,208
NET SURPLUS / (DEFICIT)		<u>(207,994)</u>	<u>(862,872)</u>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(10,402,914)	23,110,210
Total Other Comprehensive Income		<u>(10,402,914)</u>	<u>23,110,210</u>
TOTAL COMPREHENSIVE INCOME		<u>(10,610,908)</u>	<u>22,247,338</u>

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

DISTRICT COUNCIL OF BARUNGA WEST

STATEMENT OF FINANCIAL POSITION as at 30 June 2016

ASSETS	Notes	2016	2015
		\$	\$
Current Assets			
Cash and cash equivalents	5	1,021,094	954,518
Trade & other receivables	5	270,697	216,613
Inventories	5	81,806	53,841
Total Current Assets		<u>1,373,597</u>	<u>1,224,972</u>
Non-current Assets			
Financial assets	6	82,722	99,227
Infrastructure, property, plant & equipment	7	49,664,311	60,948,189
Total Non-current Assets		<u>49,747,033</u>	<u>61,047,416</u>
Total Assets		<u>51,120,630</u>	<u>62,272,388</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	311,510	566,646
Borrowings	8	295,783	322,685
Provisions	8	450,962	412,178
Total Current Liabilities		<u>1,058,255</u>	<u>1,301,509</u>
Non-current Liabilities			
Borrowings	8	879,013	1,174,796
Provisions	8	51,444	53,257
Total Non-current Liabilities		<u>930,457</u>	<u>1,228,053</u>
Total Liabilities		<u>1,988,712</u>	<u>2,529,562</u>
NET ASSETS		<u>49,131,918</u>	<u>59,742,826</u>
EQUITY			
Accumulated Surplus		(791,445)	(470,972)
Asset Revaluation Reserves	9	49,412,339	59,815,253
Other Reserves	9	511,024	398,545
TOTAL EQUITY		<u>49,131,918</u>	<u>59,742,826</u>

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

DISTRICT COUNCIL OF BARUNGA WEST

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

2016	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	Total Council Equity \$	TOTAL EQUITY \$
Balance at end of previous reporting period		(470,972)	59,815,253	398,545	59,742,826	59,742,826
Net Surplus / (Deficit) for Year		(207,994)	-	-	(207,994)	(207,994)
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment		-	(10,402,914)	-	(10,402,914)	(10,402,914)
Transfers between reserves		(112,479)	-	112,479	-	-
Balance at end of period		(791,445)	49,412,339	511,024	49,131,918	49,131,918
2015						
Balance at end of previous reporting period		471,094	36,705,043	319,351	37,495,488	37,495,488
Net Surplus / (Deficit) for Year		(862,872)	-	-	(862,872)	(862,872)
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	23,110,210	-	23,110,210	23,110,210
Transfers between reserves		(79,194)	-	79,194	-	-
Balance at end of period		(470,972)	59,815,253	398,545	59,742,826	59,742,826

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

DISTRICT COUNCIL OF BARUNGA WEST

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		4,013,134	3,867,975
Fees & other charges		64,849	56,290
User charges		168,498	316,185
Investment receipts		31,373	39,082
Grants utilised for operating purposes		977,928	890,280
Reimbursements		276,475	6,953
Other revenues		302,709	361,485
<u>Payments</u>			
Employee costs		(1,662,066)	(1,592,552)
Materials, contracts & other expenses		(2,902,346)	(3,033,377)
Finance payments		(87,730)	(105,652)
Net Cash provided by (or used in) Operating Activities		1,182,824	806,669
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		28,000	110,200
Sale of replaced assets		33,318	5,608
Repayments of loans by community groups		25,093	32,424
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(724,716)	(493,646)
Expenditure on new/upgraded assets		(155,258)	(437,313)
Net Cash provided by (or used in) Investing Activities		(793,563)	(782,727)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		(322,685)	(315,941)
Net Cash provided by (or used in) Financing Activities		(322,685)	(315,941)
Net Increase (Decrease) in cash held		66,576	(291,999)
Cash & cash equivalents at beginning of period	11	954,518	1,246,517
Cash & cash equivalents at end of period	11	1,021,094	954,518

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

DISTRICT COUNCIL OF BARUNGA WEST

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

The District Council of Barunga West is incorporated under the SA Local Government Act 1999 and has its principal place of business at 11 Bay St Port Broughton SA 5522. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 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.

District Council of Barunga West

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

Note 1 - Significant Accounting Policies (cont)

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 the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. There was no prepayment in 2015-16

3.1 Construction Contracts

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

District Council of Barunga West

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

Note 1 - Significant Accounting Policies (cont)

6.2 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.

6.3 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.

6.4 Subsequent Recognition

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

6.5 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.

District Council of Barunga West

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

Note 1 - Significant Accounting Policies (cont)

6.6 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.

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & 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.

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

District Council of Barunga West

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

Note 1 - Significant Accounting Policies (cont)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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.

9.2 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.

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

District Council of Barunga West

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

Note 1 - Significant Accounting Policies (cont)

11 GST Implications

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

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

12 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 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

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

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

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

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 2 - INCOME

	2016	2015
Notes	\$	\$
RATES REVENUES		
<u>General Rates</u>	3,613,240	3,391,205
Less: Mandatory rebates	(74,004)	(52,283)
Less: Discretionary rebates, remissions & write offs	(15,205)	(10,538)
	3,524,031	3,328,384
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	151,367	144,065
Community wastewater management systems	340,010	315,330
	491,377	459,395
<u>Other Charges</u>		
Penalties for late payment	20,808	19,665
	20,808	19,665
Less: Discretionary rebates, remissions & write offs	(10)	(108)
	4,036,206	3,807,336
STATUTORY CHARGES		
Development Act fees	308	295
Town planning fees	39,533	27,971
Animal registration fees & fines	14,894	13,343
Other licences, fees, & fines	5,341	9,564
	60,076	51,173
USER CHARGES		
Cemetery/crematoria fees	20,355	12,524
Caravan Parks	166,280	96,095
Rural Transaction Centres & Post Office	94,057	88,666
CWMS Sub-division fees	11,720	15,650
Hall & equipment hire	37,729	36,952
Boat Ramp fees	21,621	22,287
Sanitation & Garbage	31,086	16,166
Sundry	7,632	4,270
	390,480	292,610
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	8,922	12,658
Banks & other	15,296	16,210
Loans to community groups	6,995	8,947
	31,213	37,815

DISTRICT COUNCIL OF BARUNGA WEST

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

NOTE 2 - INCOME (continued)

	2016	2015
Notes	\$	\$
REIMBURSEMENTS		
- for roadworks	250,000	5,420
- for private works	1,341	-
- other	-	901
	251,341	6,321
OTHER INCOME		
Insurance & other recoupments - infrastructure, property, plant & equipment	34,171	28,718
Rebates received	41,800	39,211
Sundry	18,361	18,539
	94,332	86,468
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	28,000	110,200
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	539,206	543,675
Roads to Recovery	428,010	137,960
Library & Communications	917	924
Sundry	9,795	12,146
	977,928	694,705
	1,005,928	804,905
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	428,010	137,960
State government	577,918	666,945
	1,005,928	804,905
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Buildings & Structures	-	29,208
TOTAL PHYSICAL RESOURCES RECEIVED	-	29,208

DISTRICT COUNCIL OF BARUNGA WEST

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		1,309,412	1,384,425
Employee leave expense		208,229	110,376
Superannuation - defined contribution plan contributions	18	101,710	95,131
Superannuation - defined benefit plan contributions	18	39,070	37,135
Workers' Compensation Insurance		67,489	70,071
Other		43,328	37,089
Less: Capitalised and distributed costs		(110,748)	(99,197)
Total Operating Employee Costs		1,658,490	1,635,030
 Total Number of Employees		20	21
<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		10,000	10,000
Elected members' expenses		85,540	99,819
Election expenses		-	9,482
Operating Lease Rentals - cancellable leases		5,787	11,970
Subtotal - Prescribed Expenses		101,327	131,271
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		1,153,392	1,070,923
Utilities		205,179	197,235
Insurance		177,163	171,349
Maintenance		58,707	74,144
Legal Expenses		36,198	101,647
Levies paid to government - NRM levy		150,725	143,379
- Other Levies		14,919	45,217
Parts, accessories & consumables		207,619	256,626
Professional services		175,995	205,986
Sundry		327,454	232,512
Subtotal - Other Materials, Contracts & Expenses		2,507,351	2,499,018
		2,608,678	2,630,289
 DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		272,690	277,337
Infrastructure			
- Sealed Roads		263,730	198,629
- Unsealed Roads		592,372	784,147
- Footpaths, Kerb & Gutter		67,938	67,882
- Stormwater Drainage		35,613	36,569
- CWMS		107,658	106,141
Plant, Machinery & Equipment		127,851	137,159
Office Equipment, Furniture & Fittings		10,361	628
		1,478,213	1,608,492
 FINANCE COSTS			
Interest on overdraft and short-term drawdown			
Interest on Loans		82,782	100,879
		82,782	100,879

DISTRICT COUNCIL OF BARUNGA WEST

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
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	33,318	5,608
Less: Carrying amount of assets sold	282,725	9,626
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	(249,407)	(4,018)

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 5 - CURRENT ASSETS

		2016	2015
CASH & EQUIVALENT ASSETS	Notes	\$	\$
Cash on Hand and at Bank		336,532	35,598
Deposits at Call		684,562	918,920
		<u>1,021,094</u>	<u>954,518</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		187,221	164,149
Rates postponed for State Seniors		-	-
Accrued Revenues		1,811	1,971
Debtors - general		2,766	27,511
GST Recoupment		39,831	-
Prepayments		24,673	-
Loans to community organisations		14,394	22,982
		<u>270,696</u>	<u>216,613</u>
INVENTORIES			
Stores & Materials		81,806	53,841
		<u>81,806</u>	<u>53,841</u>

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS		2016	2015
Receivables	Notes	\$	\$
Loans to community organisations		<u>82,722</u>	<u>99,227</u>
TOTAL FINANCIAL ASSETS		<u>82,722</u>	<u>99,227</u>

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2015				2016			
		\$				\$			
	Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
		Land	2	3,785,220	-	-	3,785,220	3,785,220	-
Buildings & Other Structures	2	15,363,352	366,975	(4,286,904)	11,443,423	15,363,352	22,300	(4,381,997)	11,003,655
Infrastructure									
- Sealed Roads	3	16,022,259	116,379	(4,120,239)	12,018,399	16,022,259	57,531	(6,102,806)	9,976,984
- Unsealed Roads	3	30,816,741	402,022	(9,682,672)	21,536,091	22,663,429	542,546	(10,302,075)	12,903,900
- Footpaths, Kerb & Gutter	3	4,529,578	-	(1,085,495)	3,444,083	4,521,257	-	(1,145,111)	3,376,146
- Stormwater Drainage	3	2,884,252	64,347	(1,084,405)	1,864,194	2,884,252	64,347	(1,120,018)	1,828,581
- CWMS	3	7,606,721	18,334	(1,559,075)	6,065,980	7,606,721	18,334	(1,666,733)	5,958,322
Plant, Machinery & Equipment		-	2,051,204	(1,268,466)	782,738	-	2,106,011	(1,322,490)	783,521
Office Equipment, Furniture & Fittings		-	61,037	(52,976)	8,061	-	111,319	(63,337)	47,982
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		81,008,123	3,080,298	(23,140,232)	60,948,189	72,846,490	2,922,388	(26,104,567)	49,664,311
<i>Comparatives</i>		64,775,317	8,941,128	(35,245,315)	38,471,130	81,008,123	3,080,298	(23,140,232)	60,948,189

This Note continues on the following pages.

DISTRICT COUNCIL OF BARUNGA WEST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2015	CARRYING AMOUNT MOVEMENTS DURING YEAR					2016
	\$	\$					\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals					
Land	3,785,220	-	-	-	-	-	3,785,220
Buildings & Other Structures	11,443,423	-	61,045	(242,788)	(272,690)	14,665	11,003,655
Infrastructure							
- Sealed Roads	12,018,399	57,531	-	-	(263,730)	(1,835,216)	9,976,984
- Unsealed Roads	21,536,091	-	542,546	-	(592,372)	(8,582,365)	12,903,900
- Footpaths, Kerb & Gutter	3,444,083	-	-	-	(67,938)	-	3,376,146
- Stormwater Drainage	1,864,194	-	-	-	(35,613)	-	1,828,581
- CWMS	6,065,980	-	-	-	(107,658)	-	5,958,322
Plant, Machinery & Equipment	782,738	97,727	70,844	(39,937)	(127,851)	-	783,521
Office Equipment, Furniture & Fittings	8,061	-	50,282	-	(10,361)	-	47,982
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	60,948,189	155,258	724,717	(282,725)	(1,478,213)	(10,402,916)	49,664,311
<i>Comparatives</i>	38,471,130	514,254	470,712	(9,625)	(1,608,492)	23,110,210	60,948,189

This Note continues on the following pages.

DISTRICT COUNCIL OF BARUNGA WEST

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

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:
The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

District Council of Barunga West

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Note 7 – Property, Plant & Equipment (cont)

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.

Land Improvement	\$10,000
Buildings	\$10,000
Buildings – Other Structures	\$10,000
Infrastructure - Roads	\$10,000
Infrastructure - Footpaths	\$10,000
Infrastructure - Stormwater	\$10,000
Infrastructure - CWMS	\$10,000
Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000

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

Plant, Furniture & Equipment	
Office Equipment	3 to 100 years
Office Furniture	3 to 100 years
Vehicles and Road-making Equip	4 to 20 years
Other Plant & Equipment	4 to 20 years
Building & Other Structures	
Buildings – masonry	7 to 100 years
Buildings – other construction	7 to 100 years
Park Structures – masonry	7 to 100 years
Park Structures – other construction	7 to 100 years
Playground equipment	7 to 100 years
Benches, seats, etc	7 to 100 years
Infrastructure	
Sealed Roads – Surface	22 to 30 years
Sealed Roads – Structure	20 to 150 years
Unsealed Roads	20 to 100 years
Paving & Footpaths, Kerb & Gutter	5 to 100 years
Drains	5 to 100 years
Culverts	5 to 100 years
Reticulation Pipes – PVC	10 to 70 years
Reticulation Pipes – other	10 to 70 years
Pumps & Telemetry	10 to 70 years

Land & Land Improvements

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

District Council of Barunga West

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Note 7 – Property, Plant & Equipment (cont)

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset. The weighted average depreciation period is 45 years (2015 – 45 years).

Buildings & Other Structures

Buildings and other structures were revalued as at July 1 2014 by Maloney Field Services. Following dissatisfaction with their valuations, Council engaged Australian Property Valuers to revalue the Buildings & Other Services as at July 1 2014 and Council adopted those valuations. All acquisitions made after the date of valuation are recorded at cost.

Marine structures and boat ramps were independently valued by Coppock & Associates, and brought to account in the year ended June 30 2013.

Infrastructure

Transportation assets were revalued as at July 1 2014 by Tonkins.

Residual values were re-classified as road base in 2015/16 and depreciated over useful lives ranging from 20 to 150 years.

In consultation with Council staff and Tonkins a change in the unit rate of unsealed road surface was applied as at July 1 2015, to reflect actual costs of unsealed road reconstruction.

All acquisitions made after the respective dates of valuation are recorded at cost. All acquisitions made after the date of valuation are recorded at cost.

Stormwater drainage infrastructure was revalued as at July 1 2014 by Gayler Engineering. All acquisitions made after the date of valuation are recorded at cost.

Community wastewater management system infrastructure was revalued as at July 1 2014 by Gayler Engineering. All acquisitions made after the date of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 8 - LIABILITIES

	Notes	2016		2015	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		295,056		212,151	
Payments received in advance		-		285,775	
Accrued expenses - employee entitlements		-		37,319	
Accrued expenses - other		16,453		21,401	
Deposits, Retentions & Bonds		-		10,000	
		<u>311,509</u>	<u>-</u>	<u>566,646</u>	<u>-</u>
 BORROWINGS					
Loans		295,783	879,013	322,685	1,174,796
		<u>295,783</u>	<u>879,013</u>	<u>322,685</u>	<u>1,174,796</u>

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

PROVISIONS

Employee entitlements (including oncosts)	324,962	51,444	286,178	53,257
Future reinstatement / restoration, etc	126,000	-	126,000	-
	<u>450,962</u>	<u>51,444</u>	<u>412,178</u>	<u>53,257</u>

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

126,000

DISTRICT COUNCIL OF BARUNGA WEST

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	3,775,219	-	-	3,775,219
Buildings & Other Structures	12,210,286	-	-	12,210,286
Infrastructure	35,221,439	(10,402,914)	-	24,818,525
CWMS	6,630,220	-	-	6,630,220
Stormwater Drainage	1,978,089	-	-	1,978,089
TOTAL	59,815,253	(10,402,914)	-	49,412,339
<i>Comparatives</i>	<i>36,705,043</i>	<i>23,110,210</i>	<i>-</i>	<i>59,815,253</i>

OTHER RESERVES	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
CWMS	369,793	110,674	-	480,467
Open Space	28,752	1,805	-	30,557
TOTAL OTHER RESERVES	398,545	112,479	-	511,024
<i>Comparatives</i>	<i>319,351</i>	<i>79,194</i>	<i>-</i>	<i>398,545</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).

CWMS Reserve

This reserve records the net difference between CWMS Rate income and the cash costs of maintaining the CWMS asset and operating systems. Depreciation expense is not factored into this reserve.

Open Space Reserve

Developer Open Space contributions for Council to expend in any manner it deems fit to improve Council's recreational facilities.

DISTRICT COUNCIL OF BARUNGA WEST

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.

CASH & FINANCIAL ASSETS	Notes	2016 \$	2015 \$
CWMS Reserve		480,467	369,793
Open Space Reserve		30,557	28,752
		<u>511,024</u>	<u>398,545</u>

DISTRICT COUNCIL OF BARUNGA WEST

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

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	1,021,094	954,518
Balances per Cash Flow Statement		<u>1,021,094</u>	<u>954,518</u>

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

Net Surplus (Deficit)		(207,994)	(862,872)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,478,213	1,608,492
Net increase (decrease) in unpaid employee benefits		(348)	42,478
Non-cash asset acquisitions		-	(29,208)
Grants for capital acquisitions treated as Investing Activity		(28,000)	(110,200)
Net (Gain) Loss on Disposals		249,407	4,018
		<u>1,491,278</u>	<u>652,708</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(62,671)	57,297
Net (increase) decrease in inventories		(27,965)	1,138
Net increase (decrease) in trade & other payables		(217,818)	95,526
Net Cash provided by (or used in) operations		<u>1,182,824</u>	<u>806,669</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	-	29,208
		<u>-</u>	<u>29,208</u>

(d) Financing Arrangements

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

Bank Overdrafts	-	-
Corporate Credit Cards	11,500	11,500
LGFA Cash Advance Debenture facility	500,000	500,000

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

DISTRICT COUNCIL OF BARUNGA WEST

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	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2016	2015	2016	2015	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Administration	4,447,167	4,231,606	840,304	999,637	3,606,863	3,231,969	362,148	371,145	3,627,523	3,089,157
Public Order & Safety	14,894	13,343	95,474	97,225	(80,580)	(83,882)	-	-	-	802,248
Health	3,988	-	40,987	18,392	(36,999)	(18,392)	-	-	-	-
Social Security & Welfare	-	-	18,400	2,595	(18,400)	(2,595)	-	-	85,000	85,000
Housing & Community	210,255	172,570	1,278,926	1,324,651	(1,068,671)	(1,152,081)	-	-	7,453,016	7,004,128
Protection of the Environment	-	-	68,457	82,740	(68,457)	(82,740)	28,000	110,200	1,469,585	1,682,147
Sport & Recreation	33,479	33,516	556,184	607,243	(522,705)	(573,727)	917	924	8,198,551	7,456,599
Mining & Construction	5,555	9,813	71,916	86,565	(66,361)	(76,752)	-	-	-	-
Transport & Communication	614,863	322,917	1,847,075	2,092,692	(1,232,212)	(1,769,775)	614,863	322,636	28,167,417	38,862,767
Economic Affairs	183,295	114,130	241,500	155,233	(58,205)	(41,103)	-	-	352,926	1,422,819
Other Purposes	328,080	78,533	768,940	507,717	(440,860)	(429,184)	-	-	1,766,611	1,867,523
TOTALS	5,841,576	4,976,428	5,828,163	5,974,690	13,413	(998,262)	1,005,928	804,905	51,120,629	62,272,388

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 BARUNGA WEST

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:

Administration

Governance, Administration Not Elsewhere Classified, 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.

Public Order & Safety

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control, Car Parking – non-fee-paying, and Other Community Amenities.

Health

Health, Preventive Health Services, Other Health Services, Community Support, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities.

Social Security & Welfare

Aged and Other Services.

Housing & Community Amenities

Dog and Cat Control, Clean Air/Pollution Control, Litter Control, Health Inspection, Waste Management, Domestic Waste, Green Waste, Waste Disposal Facility, Other Waste Management, Other Environment, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping Parking Control and Other Regulatory Services, Post Office Services, Sewerage/CWMS, Cemeteries, Public Conveniences, Library Services, Heritage, Museums, , and Other Cultural Services..

Protection of the Environment

Coastal Protection, Agricultural Services, Agricultural Water, Landcare, Other Agricultural Services, Natural Resource Management Levy, and Other Environment.

Sport & Recreation

Boat Ramps, Other Marine Facilities, Parks & Gardens, Sports Facilities – Outdoor, and Other Recreation.

Mining, Manufacturing and Construction

Building Control, Town Planning, Land Development, Land Management

Transport & Communications

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

Economic Affairs

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

Other Purposes

Private Works.

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 13 - FINANCIAL INSTRUMENTS

Note: The above summary of contribution plans represents the total of Council's individual contribution. 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 2.90% (2015: 2.00% and 3.10%). Short term deposits have an average interest rates of 2.50% (2015: 2.75%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legal penalties for late payment)	<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>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 2.66% (2015: 2.66%). 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>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable semi annually; interest is charged at fixed rate between 4.65% and 8.07% (2015: 4.65% and 8.07%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	1,021,094	-	-	1,021,094	1,021,094
Receivables	270,696	-	-	270,696	166,197
Total	1,291,790	-	-	1,291,790	1,187,291
Financial Liabilities					
Payables	295,057	-	-	295,057	295,056
Current Borrowings	365,595	-	-	365,595	295,783
Non-Current Borrowings	-	726,837	350,177	1,077,014	879,013
Total	660,652	726,837	350,177	1,737,666	1,469,852
2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	954,518	-	-	954,518	954,518
Receivables	151,691	-	-	151,691	151,691
Total	1,106,209	-	-	1,106,209	1,106,209
Financial Liabilities					
Payables	505,201	-	-	505,201	507,926
Current Borrowings	410,291	-	-	410,291	322,685
Non-Current Borrowings	-	887,675	552,936	1,440,611	1,174,796
Total	915,492	887,675	552,936	2,356,103	2,005,407

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

	30 June 2016		30 June 2015	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Overdraft		-		-
Other Variable Rates		-		-
Fixed Interest Rates	6.75	1,174,796	6.59	1,497,481
		1,174,796		1,497,481

Net Fair Value

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

Risk Exposures

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

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

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

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 14 - COMMITMENTS FOR EXPENDITURE

	2016	2015
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Roads & Footpaths	-	250,000
	<u>-</u>	<u>250,000</u>
These expenditures are payable:		
Not later than one year		250,000
	<u>-</u>	<u>250,000</u>

DISTRICT COUNCIL OF BARUNGA WEST

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>	0.0%	(20.0%)	(17.0%)
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

	0%	(20%)	(11%)
--	----	-------	-------

*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>	11%	25%	23%
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>	77%	49%	73%
Infrastructure & Asset Management Plan required expenditure			

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 BARUNGA WEST

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

	2016 \$	2015 \$
Income	5,841,576	4,976,428
<i>less</i> Expenses	5,828,163	5,974,690
Operating Surplus / (Deficit)	13,413	(998,262)
 <i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	724,716	493,646
Depreciation, Amortisation and Impairment	(1,478,213)	(1,608,492)
Proceeds from Sale of Replaced Assets	(33,318)	(5,608)
	(786,815)	(1,120,454)
 <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>	155,258	437,313
Amounts received specifically for New and Upgraded Assets	(28,000)	(110,200)
	127,258	327,113
 Net Lending / (Borrowing) for Financial Year	672,970	(204,921)

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Investment Property

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

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2016	2015
	\$	\$
Not later than one year	113,736	110,423
Later than one year and not later than 5 years	75,524	169,534
Later than 5 years	-	19,726
	<u>189,260</u>	<u>299,683</u>

DISTRICT COUNCIL OF BARUNGA WEST

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

DISTRICT COUNCIL OF BARUNGA WEST

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

Note 18 – Superannuation

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 BARUNGA WEST

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 STATEMENT OF FINANCIAL POSITION

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.

LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in 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 1,056 km of road reserves of average width 8 metres

BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$97,116 (2015: \$122,209) at reporting date.

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

Independent Audit Report to the Members of the District Council of Barunga West

We have audited the accompanying financial report of the District Council of Barunga West (Council) which comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2016.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted 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 Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council as of 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with *Australian Accounting Standards* (including the *Australian Accounting Interpretations*) and the *Local Government Act 1999* together with the *Local Government (Financial Management) Regulations 2011*.



Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed this 28th day of October 2016 at Adelaide, South Australia

Independent Assurance Report on the Internal Controls of the District Council of Barunga West

We have audited the compliance of the District Council of Barunga West (Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 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* in relation to Internal Controls 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.

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to 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 and implementation 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 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

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

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 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.



Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed 28th day of October 2016, at Adelaide, South Australia

www.creativeauditing.com.au

234 Waymouth St, Adelaide SA 5000

PO Box 75, Henley Beach SA 5022
ABN 37 158 328 655

Ian: 0419 620 906 Nancy: 0408 832 848

ianmcdonald@creativeauditing.org

nancytran@creativeauditing.org

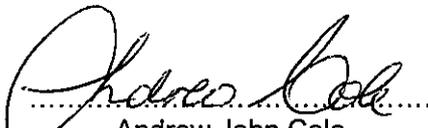
DISTRICT COUNCIL OF BARUNGA WEST

**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 Barunga West for the year ended 30 June 2016, the Council's Auditor, Ian McDonald, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Andrew John Cole
CHIEF EXECUTIVE OFFICER


.....
Patricia Flood
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 14/10/2016

District Council of Barunga West

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the District Council of Barunga West for the year ended 30 June 2016, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G McDonald FCA

Dated this 31st day of August 2016

Lifestyle for the future



Appendix B

*Central Local Government Region
Annual Report 2015/16*

District Council of Barunga West

Annual Report 2015/16



Central

Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

Annual Report for 2015 – 2016

A regional subsidiary of:

*The Barossa Council
District Council of Barunga West
Clare & Gilbert Valleys Council
District Council of the Copper Coast
The Flinders Ranges Council
Regional Council of Goyder
Light Regional Council
District Council of Mallala
District Council of Mount Remarkable
Northern Areas Council
District Council of Orroroo/Carrieton
District Council of Peterborough
Port Pirie Regional Council
Wakefield Regional Council
Yorke Peninsula Council*

Contact Details

Postal Address:

318 Main North Road
CLARE SA 5453

Telephone:

0419 341 866

Email:

ceo@centralregion.sa.gov.au

Website:

www.centralregion.sa.gov.au

The Central Local Government Region of South Australia

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence and as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by virtue of the provisions of Section 25 of the Local Government (Implementation) Act 1999.

The Central Region is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Central Region is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the Central Region and ensure that the Central Region acts in accordance with its Charter. The Board has 15 members, comprising one representative elected from each constituent Council:

- Barossa Council
- District Council of Barunga West
- Clare & Gilbert Valleys Council
- District Council of the Copper Coast
- The Flinders Ranges Council
- Regional Council of Goyder
- Light Regional Council
- District Council of Mallala
- District Council of Mount Remarkable
- Northern Areas Council
- District Council of Orreroo/Carrieton
- District Council of Peterborough
- Port Pirie Regional Council
- Wakefield Regional Council
- Yorke Peninsula Council

The Region's area spans the Barossa through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprises some 27 per cent of the State's population outside Adelaide.

Office Bearers for 2015/16

Chairman:

Mayor Peter Matthey (Goyder)

Deputy Chairs:

Mayor Sandra Wauchope (Mount Remarkable)
Mayor Allan Aughey (Clare & Gilbert Valleys)

Executive Members:

Mayor Rodney Reid (Wakefield)
Mayor Paul Thomas (Copper Coast)

**Delegate to the LGA Board
representing the Central
Region of the LGA
Constitution:**

Mayor Denis Clark (Northern Areas) LGA Board Member
Mayor Ray Agnew (Yorke Peninsula) LGA Board Member
Mayor Peter Matthey (Goyder) LGA Deputy Board Member

Chief Executive Officer:

Mr Paul McInerney
(Interim Executive Officer and Outreach Services Project until
December 2015)
Mr David J. Stevenson (from December 2015)

Auditor:

Mr Ian G. McDonald FCA

Central Local Government Region Board of Management

Each Constituent Council may appoint one elected member as delegate to be a Board Member. A proxy delegate is also appointed, with provisions allowing for representation by other elected or endorsed members.

Constituent Councils have appointed the following delegates and proxy delegates to the Board of Management:

Council	Delegate	Proxy Delegate
The Barossa Council	Mayor Bob Sloane	
District Council of Barunga West	Mayor Cynthia Axford	Deputy Mayor Dean Dolling
District Council of the Copper Coast	Mayor Paul Thomas	Deputy Mayor Roslyn Talbot
Clare & Gilbert Valleys Council	Mayor Allan Aughey	Cr Ian Burfitt
Flinders Ranges Council	Mayor Peter Slattery	Deputy Mayor Ken Anderson
Regional Council of Goyder	Mayor Peter Matthey	Deputy Mayor Jane Kellock
Light Regional Council	Mayor Bill O'Brien	Cr Lynette Reichstein
District Council of Mallala	Mayor Duncan Kennington (to 27 November) Mayor Tony Flaherty (from 7 March 2016)	Deputy Mayor Marcus Strudwicke
District Council of Mount Remarkable	Mayor Sandra Wauchope	Deputy Mayor Colin Nottle
Northern Areas Council	Mayor Denis Clark	Deputy Mayor Merv Robinson
District Council of Orroroo Carrieton	Chair Kathy Bowman	Deputy Chair Grant Chapman
District Council of Peterborough	Mayor Ruth Whittle	Cr Frank Hardbottle
Port Pirie Regional Council	Cr Neville Wilson (to August 2015) Mayor John Rohde (from August 2015)	Cr Neville Wilson
Wakefield Regional Council	Mayor Rodney Reid	Deputy Mayor Darryl Ottens
Yorke Peninsula Council	Mayor Ray Agnew	Cr John Rich

Meetings of the Central Region Board of Management

The following meetings of the Board of Management were held during the 2015/16 year:

- Special Meeting 3rd July, 2015
- Annual General Meeting 21st August, 2015
- Special Meeting 31st August, 2015
- Special Meeting 9th September, 2015
- Special Meeting 25th September, 2015
- Ordinary Meeting 20th November, 2015
- Ordinary Meeting 19th February, 2016
- Ordinary Meeting 13th May, 2016

Committee Meetings

In accordance with its Charter, the Board of Management has five committees

Committee	Members	Meeting Dates
Executive Committee:	<ul style="list-style-type: none"> • Mayor Peter Matthey (Chair) • Mayor Allan Aughey • Mayor Sandra Wauchope • Mayor Rodney Reid • Mayor Paul Thomas 	
Audit Committee:	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Mayor Kathie Bowman • Dr Andrew Johnson • Mr Colin Davies 	Exemption granted by the Minister for Local Government until 30 th June, 2016
Management Group Meetings:	<ul style="list-style-type: none"> • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr Roy Blight (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr John Brak (Goyder) • Mr Richard Michael (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Colin Byles (Northern Areas) • Mr Stephen Rufus (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson (Pirie Regional) • Ms Cate Atkinson then Mr Christopher Parish (Wakefield) • Mr Andrew Cameron (Yorke Peninsula) 	11 th December, 2015 5 th February, 2016 1 st April, 2016
Transport & Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • Mr David Hassett (Chair – Wakefield) • Mr Fred Linke (Barunga West) • Mr Steve Kaesler (Barossa) • Ms Joanne Buchanan (RDAY&MN) • Mr Kieren Chappell (Light) • Mr Colin Davies (Flinders Ranges) 	22 nd April, 2016
Regional Climate Change Steering Committee:	<ul style="list-style-type: none"> • Mr Paul McInerney (Interim Executive Officer until December 2014) • Mr David Stevenson (Chief Executive Officer from December 2015) • Ms Kelly-Anne Saffin (RDAY&MN) • Mr Dylan Strong (N&Y NRM Board) 	26 th October, 2015 14 th December, 2015 6 th April, 2016 17 th June, 2016

Achievements for 2015/16

During the year, there was continued progress against a number of priority activities.

1. Board Governance and Operations

- **The operation of the Central Region subsidiary is in accordance with legislative requirements and board policy**
- **CLGR is well regarded by its member councils and stakeholders as a valid and relevant organisation**

Achievements for 2015/16

- Committees that operated under the Charter all conducted their operations within their terms of reference.
- Interim Executive support was provided to ensure a smooth implementation of the Future Directions Review Transition Management Planning.
- Appointment of a new Chief Executive Officer in December 2015.
- Adoption of the 2016/17 Business Plan and Budget.
- Review the procurement roadmap work completed by ArcBlue under the Future Directions Review.
- Acquittals to the Local Government Research and Development Scheme SA were completed. Projects included the strategic procurement risk management compliance governance and reporting model. Also the
- Development and the recommendation by the Board of Management to members of a new Charter.
- Conduct the election of board members for Regional Development Australia Yorke and Mid North.

2. Local Government Leadership and Sustainability

- **The Central Local Government Region Councils supported to collaboratively improve service delivery, resourcing & financial capacity**
- **Central Local Government Region Councils well represented & regarded at state and national Local Government levels**
- **Improved awareness & understanding of Central Region Council issues and activities by key stakeholders & political decision makers**

Achievements for 2015/16

- LGA Outreach Services – this Pilot Project was funded by the Local Government Association SA. The project commenced in January 2014 and finished in January 2016. In addition to the Future Directions Review the Outreach Services pilot project enabled the Interim Executive Officer to oversee a continuum of the procurement preparatory work.
- Crown Lands Red Tape Reduction between Local and State Governments is an ongoing matter.
- Attendance by Local Government Association (LGA) and Office of Local Government (OLG) at Central Region quarterly meetings.
- Communications with LGA and Office of Local Government staff as required.
- Complete the transition for the Council Chief Executive Officer meetings into Management Group Meetings.
- Regional representation at SA Regional Organisation of Councils (SAROC) and LGA Board meetings.
- Attendance at Local Government Association SA ordinary meetings and forums in Adelaide.
- Attendance by Councils Mayors and Chief Executives at the Local Government Association SA Presidents Show Case in Adelaide.
- Communication and meetings/workshops with SAROC Executive Officers on key issues as required.
- Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate.
- Member of Parliament briefings as required.
- Website updated with Agenda, Minutes, Future Directions Review Final Report.
- The new "royalty on rubble" introduced by the State Government paid by local government when raising rubble to maintain vital local roads and infrastructure will continued to be pursued as a major issue for the region and other regional SA Councils.

- The region continues to monitor and is expecting to elevate the concerns Council members have for Community Passenger Networks across the region. The region has legitimate concerns about the ongoing funding arrangements and therefore viability of the services. Ongoing discussion with the Department for Communities and Social Inclusion along with the Federal Government as it rolls out the National Disability Scheme will remain an ongoing major issue.
- A detailed submission to the Regional Health Services Inquiry resulted in the Social Development Committee secretariat recommending our concerns be raised directly with Country Health SA.

3. Regional and Community Sustainability

- **The long-term economic, environmental and social sustainability of the Central Local Government Region is fostered through pro-active, innovative, efficient and collaborative approaches to issues of priority.**

Achievements for 2015/16

Regional Identity, Planning & Cohesion

- Regional Strategic Alliance meetings with Northern and Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDAY&MN) were recommenced in January 2016.
- Participation in meetings of RDAY&MN and Northern and Yorke Resource Management Executive Officers.
- Attendance at a number of Northern and Yorke Natural Resource Management Board meetings as a non-voting delegate.

Transport

- Convened the Central Region Transport Infrastructure Advisory Committee, for Special Local Roads Program purposes in April 2016.
- Assessment, inspection and regional submission to Special Local Roads program in accordance with LGA TAP Committee requirements.

Environment and Natural Resources

- Local Government representative attendance at various Regional NRM Board meetings by interim Executive Officer as a non-voting delegate under the YMN NRM Board constitution.
- YMN NRM Board advised of progress by CLGR of its Future Direction Review and investigation of Hunter Councils Inc. (NSW), Pilbara (WA) and Cradle Coast Authority (Tasmania) models.

Climate Change and Emergency Management

- Funding for the regional climate change coordinator to work across local government, regional development and Natural Resources Management. We participate in the Regional Alliance Climate Change with partners Regional Development Australia Yorke and Mid North (RDA) and Northern & Yorke Natural Resources Management Board (NRM).
- A two-year contract covering the Alliance for the Climate Change Coordinator concludes in 2017. This allows local government access to expertise in this specialised area and for sourcing of project funds for local government as opportunity arises.
- Ongoing development of Goyder's Line Sustainability Hub and research concept.
- Applying the NRM Planning for Climate Change to begin the update the Regional NRM Plan incorporating resilience thinking and adaptive management principles.
- Partnering in the Climate Change and Bushfire project to investigate the ability to model the impact of climate change on fire danger indexes in the region.
- Coordinated LG representation to Yorke/Mid North Zone Emergency Management committees (ZEMC).
- Ongoing participation in local, state and Australian Governments workshops and programs.

**CENTRAL LOCAL GOVERNMENT
REGION of SA Inc**



**Annual Financial
Statements**

For the financial year

July 1st 2015 – June 30th 2016

Central Local Government Region of SA Inc

General Purpose Financial Reports for the year ended 30 June 2016

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	8
Note 2 - Income	11
Note 3 - Expenses	12
Note 4 - Asset Disposal & Fair Value Adjustments	13
Note 5 - Current Assets	13
Note 6 - Non-Current Assets	NR
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	14
Note 8 - Liabilities	15
Note 9 - Reserves	15
Note 10 - Assets Subject to Restrictions	NR
Note 11 - Reconciliation of Cash Flow Statement	17
Note 12 - Functions	17
Note 13 - Financial Instruments	18
Note 14 - Expenditure Commitments	NR
Note 15 - Financial Indicators	NR
Note 16 - Uniform Presentation of Finances	19
Note 17 - Operating Leases	NR
Note 18 - Superannuation	NR
Note 19 - Interests in Other Entities	20
Note 20 - Discontinued Operations and Non-Current Assets held for sale	NR
Note 21 - Assets & Liabilities not Recognised	NR
Note 22 - Events Occurring After Reporting Date	NR
	(NR - Not Required)
Audit Report - Financial Statements	
Region Certificate of Audit Independence	
Audit Certificate of Audit Independence	

Central Local Government Region of SA Inc.

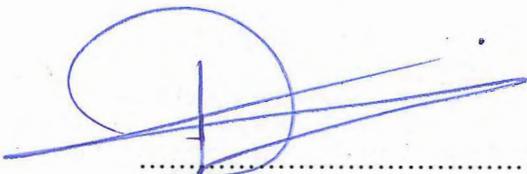
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2016

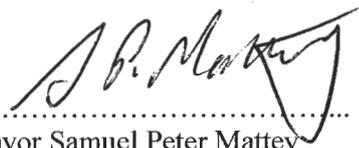
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Region 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 Region'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 Region provide a reasonable assurance that the Region's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Region's accounting and other records.



David J. Stevenson
Chief Executive Officer



Mayor Samuel Peter Matthey
President

Date:

19th August, 2016

Central Local Government Region of SA Inc

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Grants, subsidies and contributions	2	316,166	285,555
Investment income	2	13,869	18,419
Other income	2	<u>154,140</u>	<u>193,714</u>
Total Income		<u>484,175</u>	<u>497,688</u>
EXPENSES			
Employee costs	3	92,626	-
Materials, contracts & other expenses	3	264,741	796,701
Depreciation, amortisation & impairment	3	<u>3,243</u>	<u>850</u>
Total Expenses		<u>360,610</u>	<u>797,551</u>
OPERATING SURPLUS / (DEFICIT)		123,565	(299,863)
Asset disposal & fair value adjustments	4	<u>-</u>	<u>(12,602)</u>
NET SURPLUS / (DEFICIT)		123,565	(312,465)
transferred to Equity Statement			
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>123,565</u>	<u>(312,465)</u>

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

Central Local Government Region of SA Inc

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

ASSETS	Notes	2016	2015
		\$	\$
Current Assets			
Cash and cash equivalents	5	556,783	541,825
Trade & other receivables	5	<u>124,056</u>	<u>64,293</u>
Total Current Assets		<u>680,839</u>	<u>606,118</u>
Non-current Assets			
Property, plant & equipment	7	<u>30,110</u>	<u>-</u>
Total Non-current Assets		<u>30,110</u>	<u>-</u>
Total Assets		<u>710,949</u>	<u>606,118</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	18,928	43,877
Provisions	8	<u>6,060</u>	<u>-</u>
Total Current Liabilities		<u>24,988</u>	<u>43,877</u>
Non-current Liabilities			
Provisions	8	<u>155</u>	<u>-</u>
Total Non-current Liabilities		<u>155</u>	<u>-</u>
Total Liabilities		<u>25,143</u>	<u>43,877</u>
NET ASSETS		<u>685,806</u>	<u>562,241</u>
EQUITY			
Accumulated Surplus		113,143	68,145
Other Reserves	9	<u>572,663</u>	<u>494,096</u>
TOTAL EQUITY		<u>685,806</u>	<u>562,241</u>

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

Central Local Government Region of SA Inc

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

2016	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		68,145	494,096	562,241
Net Surplus / (Deficit) for Year		123,565	-	123,565
Other Comprehensive Income				
Transfers between reserves	9	<u>(78,567)</u>	78,567	-
Balance at end of period		<u>113,143</u>	<u>572,663</u>	<u>685,806</u>
2015				
Balance at end of previous reporting period		25,212	849,494	874,706
Net Surplus / (Deficit) for Year		(312,465)	-	(312,465)
Other Comprehensive Income				
Transfers between reserves	9	<u>355,398</u>	(355,398)	-
Balance at end of period		<u>68,145</u>	<u>494,096</u>	<u>562,241</u>

Central Local Government Region of SA Inc

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		14,132	19,089
Grants utilised for operating purposes		224,444	438,015
Other revenues		217,562	96,095
<u>Payments</u>			
Employee costs		(81,342)	-
Materials, contracts & other expenses		(326,485)	(776,072)
Net Cash provided by (or used in) Operating Activities		48,311	(222,873)
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		-	15,455
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(33,353)	-
Net Cash provided by (or used in) Investing Activities		(33,353)	15,455
 CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		14,958	(207,418)
 Cash & cash equivalents at beginning of period	11	<u>541,825</u>	<u>749,243</u>
Cash & cash equivalents at end of period	11	<u>556,783</u>	<u>541,825</u>

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

Central Local Government Region of SA Inc.

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

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* dated 9th August 2014.

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

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Central Local Government Region of South Australia Incorporated ("the Region") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

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

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

1.3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Region 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 Region's operations for the current reporting period.

1.4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Region'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 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.

1.5 Property, Plant & Equipment

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

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

Office Furniture & Equipment	\$1,000
Motor Vehicles, Other Plant & Equipment	\$1,000

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

1.6 Payables

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

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

Employee Benefits

Salaries, Wages & Compensated Absences

The Region engaged the services of a Chief Executive Officer on the 7th December 2015 and as at 30th June 2016 the CEO is the only employee of the Region. Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.08% (2015, Nil%)
Weighted average settlement period	10 years (2015, Nil years)

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

Superannuation

The Region contributes the statutory 9.5% SGC superannuation for the CEO to a Self-Managed Superannuation Fund.

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.

Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

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

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6. (Standards not affecting local government have been excluded from the above list.)

The Region 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.

Central Local Government Region of SA Inc

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

Note 2 - INCOME

	2016	2015
	\$	\$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	13,795	18,312
Banks & other	74	107
	13,869	18,419
OTHER INCOME		
Council Contributions	154,140	152,460
Sundry	-	41,254
	154,140	193,714
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	316,166	285,555
	316,166	285,555
Sources of grants		
Commonwealth government	-	39,954
State government	231,166	235,601
Other	85,000	10,000
	316,166	285,555
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
Unexpended at the close of the previous reporting period	143,003	516,994
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
P003-Waste Management	-	(15,635)
P009-Climate Change	-	(95,703)
P010-Windfarm Liaison	-	(27,593)
P015-Local Government Reform	(48,952)	-
P016-Upper Spencer Gulf RSP	-	(182,941)
P018-Policy Amendment Review	-	(30,000)
P019-Coastal Adaptation	-	(30,000)
P020-Risk Assessment	-	(30,000)
P022-Roads & Transport	(127)	(680)
P023-Outreach Collaboration Project	(52,923)	-
P024-Climate Change Co-ordinator 2015-17	(5,471)	-
Subtotal	(107,473)	(412,552)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
A009-Special Projects	-	13,305
P023-Outreach Collaboration Project	-	256
P024-Climate Change Co-ordinator 2015-17	-	25,000
P025-Outreach Phase 2	50,000	-
P026-Strategic Procurement	31,100	-
P028-Regional Capacity Building	104,940	-
Subtotal	186,040	38,561
Unexpended at the close of this reporting period	221,570	143,003
Net increase (decrease) in assets subject to conditions in the current reporting period	78,567	(373,991)

Central Local Government Region of SA Inc

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

Note 3 - EXPENSES

	2016	2015
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	75,887	-
Employee leave expense	6,217	-
Superannuation	7,209	-
Workers' Compensation Insurance	872	-
FBT	2,441	-
Total Operating Employee Costs	92,626	-
 <i>Total Number of Employees</i>	 <i>1</i>	 <i>-</i>
<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	1,683	1,650
Subtotal - Prescribed Expenses	1,683	1,650
 <u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	220,098	732,691
Legal Fees	8,639	-
Unleaded Fuel	3,410	9
Grants	-	25,000
Members Allowances & Support	6,024	4,176
Meetings & Conferences	3,175	5,064
Insurance	7,585	5,701
Rental - Premises	3,182	-
Advertising	2,093	-
Sundry	8,852	22,410
Subtotal - Other Materials, Contracts & Expenses	263,058	795,051
	264,741	796,701
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	3,243	850
	3,243	850

Central Local Government Region of SA Inc

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
	\$	\$
PROPERTY, PLANT & EQUIPMENT		
<i>Assets surplus to requirements</i>		
Proceeds from disposal	-	15,455
Less: Carrying amount of assets sold	-	28,057
Gain (Loss) on disposal	-	(12,602)

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	21,879	20,979
Deposits at Call	534,904	520,846
	556,783	541,825

TRADE & OTHER RECEIVABLES

Accrued Revenues	2,610	2,873
Debtors - general	-	40,235
Other levels of Government	115,434	-
GST Recoupment	4,421	21,185
Prepayments	1,591	-
	124,056	64,293

Central Local Government Region of SA Inc

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

Fair Value Level	2015 \$				2016 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - PROPERTY, PLANT & EQUIPMENT								
Motor Vehicle	-	-	-	-	-	33,353	(3,243)	30,110
Software	-	772	(772)	-	-	772	(772)	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	772	(772)	-	-	34,125	(4,015)	30,110
<i>Comparatives</i>	-	36,687	(7,780)	28,907	-	772	(772)	-

	2015 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$							2016 \$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Note 7 - PROPERTY, PLANT & EQUIPMENT										
Motor Vehicle	-	33,353	-	-	(3,243)	-	-	-	-	30,110
Software	-	-	-	-	-	-	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	33,353	-	-	(3,243)	-	-	-	-	30,110
<i>Comparatives</i>	28,907	-	-	(28,057)	(850)	-	-	-	-	-

Central Local Government Region of SA Inc

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	317		2,420	
Accrued expenses - employee entitlements	5,069	-	-	-
Accrued expenses - Contractors	-	-	41,457	-
GST & PAYG	13,542		-	-
	<u>18,928</u>	<u>-</u>	<u>43,877</u>	<u>-</u>
<i>Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.</i>	-		-	
PROVISIONS				
Employee entitlements (including oncosts)	6,060	155	-	-
	<u>6,060</u>	<u>155</u>	<u>-</u>	<u>-</u>

Note 9 - RESERVES

OTHER RESERVES	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	17,341	-	-	17,341
2 P003-Waste Management	16,273	-	-	16,273
3 P009-Climate Change	4,761	-	-	4,761
4 P015-Local Government Reform	320,000	-	(208,952)	111,048
5 P022-Roads & Transport	26,705	-	(127)	26,578
6 P023-Outreach Collaboration Project	52,923	-	(52,923)	-
7 P024-Climate Change Co-Ordinator 2015-17	25,000	-	(5,471)	19,529
8 P025-LG Outreach Phase 2	-	50,000	-	50,000
9 P026-Strategic Procurement	-	31,100	-	31,100
10 P027-LG Reform - Incentive Risk	-	160,000	-	160,000
11 P028-Regional Capacity Building	-	104,940	-	104,940
TOTAL OTHER RESERVES	<u>494,096</u>	<u>346,040</u>	<u>(267,473)</u>	<u>572,663</u>
<i>Comparatives</i>	<u>849,494</u>	<u>57,154</u>	<u>(412,552)</u>	<u>494,096</u>

Central Local Government Region of SA Inc

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

Note 9 - RESERVES (Continued)

PURPOSES OF RESERVES

Other Reserves

- 1 **A007-Special Projects**
LGA funded support programme
- 2 **P003-Waste Management**
State Government funded technical support programme
- 3 **P009-Climate Change**
Regional Partners and State Government funded programme
- 4 **P015-Local Government Reform**
CLGR funded programme - Council Shared Services
- 5 **P022-Roads & Transport**
CLGR funded programme - Regional Development Australia Freight Strategy
- 6 **P023-Outreach Collaboration Project**
Federal Government funded programme
- 7 **P024-Climate Change Co-ordinator 2015-17**
Regional Partners and State Government funded programme
- 8 **P025-LG Outreach Phase 2**
LGA funded programme
- 9 **P026-Strategic Procurement**
LGA funded programme
- 10 **P027-LG Reform - Incentive Risk**
CEO Performance fund
- 11 **P028-Regional Capacity Building**
Region rubble royalty % returned for project allocation 2016/17

Central Local Government Region of SA Inc

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

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>556,783</u>	<u>541,825</u>
Balances per Cash Flow Statement		<u>556,783</u>	<u>541,825</u>

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

Net Surplus (Deficit)	123,565	(312,465)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,243	850
Net increase (decrease) in unpaid employee benefits	11,284	-
Net (Gain) Loss on Disposals	-	12,602
	<u>138,092</u>	<u>(299,013)</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(59,763)	55,511
Net increase (decrease) in trade & other payables	(30,018)	20,629
Net Cash provided by (or used in) operations	<u>48,311</u>	<u>(222,873)</u>
(c) Non-Cash Financing and Investing Activities	<u>-</u>	<u>-</u>

(d) Financing Arrangements

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

Corporate Credit Cards	2,000	2,000
------------------------	-------	-------

Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P003-Waste Management
- 3 P009-Climate Change
- 4 P015-Local Government Reform
- 5 P022-Roads & Transport
- 6 P023-Outreach Collaboration Project
- 7 P024-Climate Change Co-Ordinator 2015-17
- 8 P025-LG Outreach Phase 2
- 9 P026-Strategic Procurement
- 10 P027-LG Reform - Incentive Risk
- 11 P028-Regional Capacity Building

Income and expenses have been attributed
to the functions/activities throughout the
financial year.

Central Local Government Region of SA Inc
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	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Short term deposits are available on 24 hour call with the LGFA and has an interest rate of 1.75% as at 30 June 2016.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables -Trade and Other Debtors	<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 (after deduction of any allowance).</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 Region.</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	556,783	-	-	556,783	556,783
Receivables	124,056	-	-	124,056	124,056
Total	680,839	-	-	680,839	680,839
Financial Liabilities					
Payables	13,859	-	-	13,859	13,859
Total	13,859	-	-	13,859	13,859

2015	Due < 1 year	Due > 1 year; <= 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	541,825	-	-	541,825	541,825
Receivables	64,293	-	-	64,293	64,293
Total	606,118	-	-	606,118	606,118
Financial Liabilities					
Payables	2,420	-	-	2,420	2,420
Total	2,420	-	-	2,420	2,420

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

Risk Exposures

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

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

Liquidity Risk is the risk that the Region will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Central Local Government Region of SA Inc

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 Region 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	484,175	497,688
<i>less</i> Expenses	<u>360,610</u>	<u>797,551</u>
Operating Surplus / (Deficit)	123,565	(299,863)
<i>less</i> Net Outlays on Existing Assets		
Depreciation, Amortisation and Impairment	(3,243)	(850)
	(3,243)	(850)
<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>	33,353	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(15,455)
	<u>33,353</u>	<u>(15,455)</u>
Net Lending / (Borrowing) for Financial Year	<u>93,455</u>	<u>(283,558)</u>

Central Local Government Region of SA Inc.

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

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control

The Region has no interest in Joint Ventures or Associated Entities.

Although the Region itself is a Regional Subsidiary established by the 15 Member Councils (as per Note 1), it is not considered to be an associate of any of the individual Councils as no one Council has significant influence. As such, equity accounting procedures are not used by the individual Councils. It is likely that each Council's interest in the Regional Subsidiary is non-material and as such, it is appropriate for a Council to write off its annual contribution as an expense.

Central Local Government Region of SA Inc.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2016

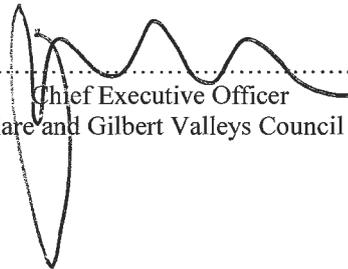
CERTIFICATION OF AUDITOR INDEPENDENCE

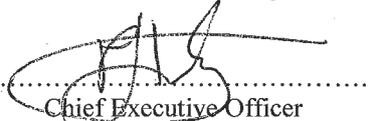
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Central Local Government Region of South Australia Incorporated for the year ended 30 June 2016, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

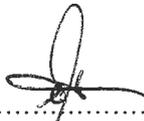
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.


.....
Chief Executive Officer
The Barossa Council

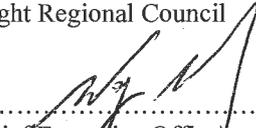

.....
Chief Executive Officer
District Council of Barunga West


.....
Chief Executive Officer
Clare and Gilbert Valleys Council

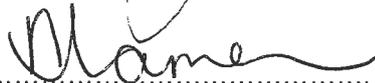

.....
Chief Executive Officer
District Council of the Copper Coast

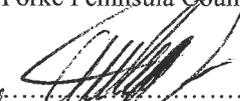

.....
Chief Executive Officer
The Flinders Ranges Council


.....
Chief Executive Officer
Light Regional Council


.....
Chief Executive Officer
District Council of Mount Remarkable


.....
Chief Executive Officer
Port Pirie Regional Council

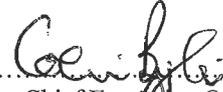

.....
Chief Executive Officer
Yorke Peninsula Council


.....
Chief Executive Officer
Wakefield Regional Council


.....
Chief Executive Officer
Regional Council of Goyder


.....

.....
Chief Executive Officer
District Council of Mallala


.....
Chief Executive Officer
Northern Areas Council


.....
Chief Executive Officer
District Council of Orroroo-Carrieton


.....
Chief Executive Officer
District Council of Peterborough


.....
Chairman
Central Local Government Region
Board of Management

Ian G McDonald FCA



Central Local Government Region of South Australia Inc

ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Central Local Government Region of South Australia Inc for the year ended 30 June 2016, we have maintained our 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*.

A handwritten signature in black ink that reads 'Ian G McDonald'.

Ian G McDonald FCA

Dated this 17th day of August 2016

Ian G McDonald FCA



Independent Audit Report to the Members of the Central Local Government Region of SA Inc.

We have audited the accompanying financial report of the Central Local Government Region of SA Inc. which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of the financial statements.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc. as of 30 June 2016, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink that reads 'Ian G McDonald'.

Ian G McDonald FCA
Registered Company Auditor

Signed 21st day of September 2016, at Adelaide, South Australia

www.creativeauditing.com.au

234 Waymouth St, Adelaide SA 5000

PO Box 75, Henley Beach SA 5022
ABN 37 158 328 655

Ian: 0419 620 906 Nancy: 0408 832 848

ianmcdonald@creativeauditing.org

nancytran@creativeauditing.org

District Council of Barunga West
PO Box 3
Port Broughton SA 5522
T: 08 8635 2107
F: 08 8635 2596
E: barunga@barungawest.sa.gov.au