



# District Council of Barunga West Annual Report 2014-2015

Lifestyle for the future

District Council of Barunga West  
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## A Message from the Mayor

As my first year in the role of Mayor of the District Council of Barunga West is nearing completion, I am proud to present the 2014/15 Annual Report. This document showcases the programs and plans that our team of Elected Members and Staff, headed by our CEO Andrew Cole, have progressed over the 2014/15 year.

Currently, there is persistent media attention emphasising the economical challenges facing the State Government. Of course, this has a huge impact at a local government level, and consequently on our Council. Many additional expenses are being 'hand balled' to Councils such as the recently implemented 'water licences for the CMWS schemes'. Now 'royalties for rubble', where materials raised by Council from local pits and used to upgrade roads is yet another planned impost. We are voicing our strong opposition about this idea to State Government.

I can assure our ratepayers that we are a vigilant Council who unites with our regional neighbouring Councils to act as a strong voice against such issues. Financial responsibility is high on our agenda so that we can keep a tight rein on efficient practices relating to expenditure.

The agriculture industry continues to be the core strength in our Council district. Clean, green and modern technology is displayed by our farmers as they continue to embrace ideas to increase efficiencies and income. Our beautiful country side, coastline and fishing spots attract many tourists to our area during the holiday seasons. I commend those small businesses, committees and volunteers who work hard attracting visitors to spend their tourist dollar in our region. We are proud of your efforts!

Our website [www.barungawest.sa.gov.au](http://www.barungawest.sa.gov.au) is regularly updated and I commend to our ratepayers to visit it for all aspects of information relating to the many and varied services provided by Council. I encourage anyone wishing to provide comments and feedback to do so, as these are always welcome at either our Port Broughton or Bute Council offices.

*Cynthia Axford*

**MAYOR**

## A Message from the CEO

I am delighted to present the District Council of Barunga West's Annual Report for 2014–15. It's certainly been a busy 12 months for the Council, focusing on building organisational capacity to deliver the services and programs detailed through the Annual Business Plan.

One of the most significant events through the year was the local government elections. This election saw four new Elected Members on Council, as well as new Mayor. With new mandatory training requirements for those on Council implemented in 2014, it has been a busy post-election period for both Elected Members and Staff.

The events of 2014/15 were certainly many and varied, from the completion of the Fisherman Bay Urban Design Concept Plan, with its community consultation elements, to unsealed road maintenance, to seawall reconstruction at Port Broughton and the sealing of the Kulpara carpark and works adjacent to the Port Broughton Skate Park.

This year also saw the broadening of shared service agreement with the District Council of the Copper Coast, with planning and building inspection services now supplementing the environmental health services already being provided. Both Councils recognizes that all services need to be constantly reviewed to delivery the services in an efficient and effective way.

While planning is a central feature of Council, uncertainties still exist, especially noting the State Government's Planning Reform proposals, and the possible introduction of a new rubble royalty tax to be paid by Council.

The Administration will continue to develop its capacity to be a productive and supportive workplace, committed to achieve the objectives set by Council through its annual and strategic plans.

I look forward to the year ahead with great excitement.

*Andrew Cole*

**Chief Executive Officer**

# Statistics

## 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](mailto:barunga@barungawest.sa.gov.au)

Website: [www.barungawest.sa.gov.au](http://www.barungawest.sa.gov.au)

## Postal Address

PO Box 3  
PORT BROUGHTON SA 5522

## Geographical Area

1590.4 km<sup>2</sup>

## Population

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

## Road Length

979.84km

## Assessed Value (as at 1<sup>st</sup> July 2015)

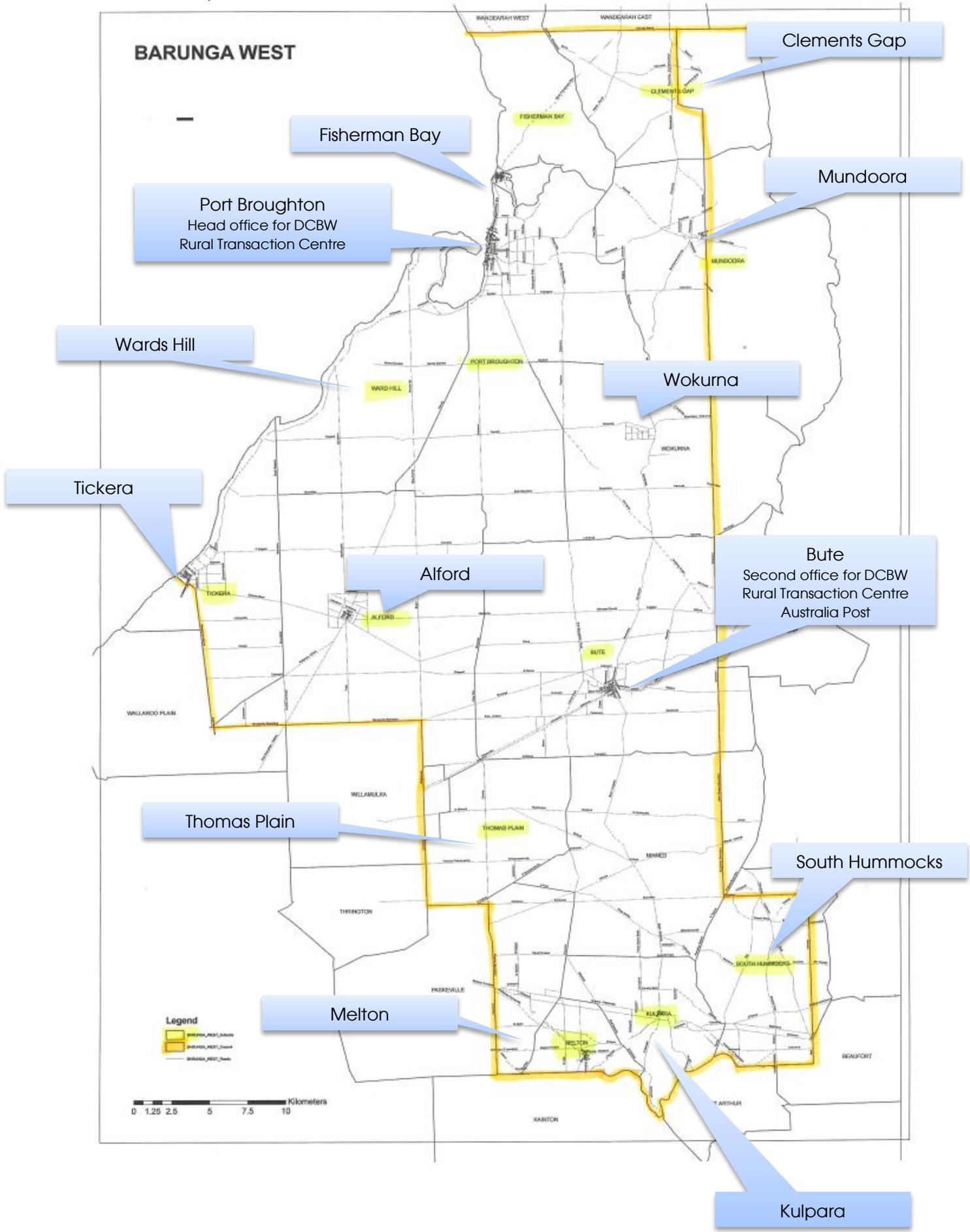
\$1,071,089,860 (capital value)

## Electorates

**Federal** – Grey – Local Member Mr Rowan Ramsey MP

**State** – Frome – Local Member Mr Geoff Brock MP

# Council Map



# Strategic Plan

## Review of the 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

## 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 2014-2015

Annual Business Plan Objectives & achievements for 2014-2015 are demonstrated in the following table:

Objective	Details	
4.4. Maintain and develop appropriate foreshore and marine facilities in Barunga West	Port Broughton Foreshore Plan	Carried forward to 2015/16
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	Council Election November 2014	Completed
1.9 Maintain community hubs and Progress Associations	Install disabled toilets at the Port Broughton Hall	Completed
2.5 Ensure the delivery & maintenance of appropriate infrastructure & facilities in foreshore & coastal areas	Continued the staged reconstruction of the northern end of the Port Broughton seawall	Completed
5.2. Ensure that all elected members receive training appropriate to their needs.	Elected Member Training	Completed
5.3. Work with the Central Region of the LGA to identify opportunities for resource sharing.	Continued development of council resource sharing	Completed & Ongoing
5.7. Ensure Council has adequate staffing resources to ensure legislative compliance	Continue process of workforce planning and improvement of Human Resource management	Completed & Ongoing
5.10. Council staff work at the best of their abilities to carry out Council's policies	Review and continue development of HR policies, procedures and documentation	Completed
1.14. Encourage a healthy lifestyle by working with the State Department of Health to develop programs	Continuation of Mosquito Control programme.	Completed
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	Continuation of the Fisherman Bay Freeholding Seawall & Land Division applications	Completed & Ongoing

2.10. Ensure that the Barunga West Development Plan is consistent with the objectives of the Strategic Management Plan	Commence work towards a Fisherman Bay Development Plan Amendment (DPA)	Under Review due to State Government's proposed 'Planning Reform' legislative changes.
2.10. Ensure that the Barunga West Development Plan is consistent with the objectives of the Strategic Management Plan	Commence a Section 30 Development Plan Review (Strategic Planning Review)	Under Review due to State Government's proposed 'Planning Reform' legislative changes.
4.1. The Asset Management Plan to include measures for the effective maintenance of all Council assets	Development of Asset Management Plans for CWMS, Roads & Stormwater (C/F 2013-14)	Completed
5.5. Ensure that Council complies with all of its legislative requirements	Restructure Rating System to use full list of Land Use Codes	Completed
1.9. Maintain community hubs and progress associations	Continued support of the Community Grant Funding Program	Completed
1.9. Maintain community hubs and progress associations	Introduce a new Council Capital Project Fund – this fund was used to seal the Kulpara Hall carpark and remediate the stormwater run-off at the Port Broughton skate park/town entrance	Completed
3.1 Promote tourism and the natural environment in Barunga West	Matching Grant Funds – this fund was used to extend the scope of replacement work at the Port Broughton seawall	Completed
4.7. Ensure the effective use and maintenance of all Council building assets	Port Broughton Town Hall Disabled Toilet (C/F 2013-14)	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Resheet Haldanes Road, Alford (1km) (C/F 2013-14)	Completed
4.7. Ensure the effective use and maintenance of all Council building assets	Capital Repairs to Fisherman Bay Toilets (C/F 2013-14)	Project Removed
4.7. Ensure the effective use and maintenance of all Council building assets	Complete Bute Depot Security Fence	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Resheet Pump Station Road, Kulpara (2kms)	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Resheet Tickera Alford Road, Alford (3kms)	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Resheet Strathneath Road, Alford (3kms)	Completed

4.7. Ensure the effective use and maintenance of all Council building assets	Depot Material Storage Bays, Port Broughton	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Seal Arbon Road, Bute (co-contribution)	Project discontinued following removal of co-contribution
4.7. Ensure the effective use and maintenance of all Council building assets	Transfer Station Hard Waste Ramp, Port Broughton	Removed from programme
4.4. Maintain and develop appropriate foreshore and marine facilities in Barunga West	Remedial Kerbing at Tickera foreshore	Completed
4.9. Ensure that appropriate and cost-effective plant and equipment is available to carry out council operations, whether owned, leased or hired.	Replace WHS Vehicle, Plant Replacement	Completed
4.2. Provide a safe, well-maintained and cost-effective road network in Barunga West	Kerb and Seal Hawk Crescent, Port Broughton	Completed

## Records Management Area

Records management issues addressed over the past 12 months have mainly involved the review and archiving of Council records, through the support of Helen Perry.

The process of transferring very old records, including minutes and assessment books, is continuing. Prior to transfer they have been digitally photographed so that Council and the relevant History Group can retain a copy. A digital copy will be made available to ratepayers via Council's website.

Future Records system upgrades with Council IT System (Synergy) will enable full digital recording of incoming and outgoing correspondence and will reduce the need to store physical paper copies of recorded material. This upgrade is planned for completion in the 2015/16 financial year.

# 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 Local Government Association SA 19<sup>th</sup> August 2015

## Representation Review

The next scheduled Representation Review, in accordance with current legislation, is due to be completed in 2017, prior to the next local government election scheduled for November 2018.

# Councillors and Committees

Elected Members and Meeting Attendance Record

12 - Ordinary Council Meetings

4 – Special Council Meetings



**Mayor Cynthia Axford**

12/12 – Ordinary Council Meeting

4/4 – Special Council Meeting



**Deputy Mayor Dean Dolling**

12/12 – Ordinary Council Meeting

3/4 – Special Council Meeting



**Councillor Leonie Kerley**

11/12 – Ordinary Council Meeting

4/4 – Special Council Meeting



**Councillor Georgie Simmons**

12/12 – Ordinary Council Meeting

2/4 – Special Council Meeting



**Councillor Margaret McDonald**

11/12 – Ordinary Council Meeting

4/4 – Special Council Meeting

## Newly Elected Councillors – November 2014 Election



**Councillor Michelaine Barker**

8/8 – Ordinary Council Meeting

2/3 – Special Council Meeting



**Councillor James Bettess**

8/8 – Ordinary Council Meeting

2/3 – Special Council Meeting



**Councillor Malcolm McDonald**

7/8 – Ordinary Council Meeting  
2/3 – Special Council Meeting



**Councillor Gregory Winen**

6/8 – Ordinary Council Meeting  
1/3 – Special Council Meeting

**Previous Elected Members (November 2010- November 2014)**



**Deputy Mayor Brian Rooney**

3/4 – Ordinary Council Meeting  
1/1 – Special Council Meeting



**Councillor Grant Rowlands**

4/4 – Ordinary Council Meeting  
1/1 – Special Council Meeting



**Councillor Rusty Smith**

3/4 – Ordinary Council Meeting  
1/1 – Special Council Meeting



**Councillor Mark Weedon**

4/4 – Ordinary Council Meeting  
1/1 – Special Council Meeting

## 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



## Committee Representation

### Mayor Cynthia Axford

Central Local Government Region  
Local Government Association of SA (including Local Government Finance Authority)  
Bute Community Gym Inc.

### Deputy Mayor Dean Dolling

Local Government Association of SA (including Local Government Finance Authority)  
Barunga West Building Fire Safety Committee (internal)

### Councillor Leonie Kerley

Port Broughton Progress Association

### Councillor Margaret McDonald

Port Broughton Area School  
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 Malcolm McDonald

### Councillor Gregory Winen

Barunga Village Board

### Councillor Michelaine Barker

Barunga West Road Safety Group

### Councillor James Bettess

## 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 30<sup>th</sup> June 2015, the following allowances were paid:

\*Note changes to allowance rates post-November 2014 Council election.

Elected Member	Allowance August- October 2014	Allowance Nov 2014 to July 2015	Total allowance 2014/15
MAYOR	\$3,000	\$17,100	\$20,100
DEPUTY MAYOR	\$1,562	\$5,343	\$6,905
ELECTED MEMBERS	\$1,250	\$4,275	\$5,525

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 30<sup>th</sup> June 2015, direct travelling allowances were paid in the total sum of \$3,843.84.

## Committee Allowances

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

Independent Council Development Assessment Panel Chairperson - \$150 per meeting, plus travel allowance

Independent Council Development Assessment Panel Members - \$100 per meeting, plus travel allowance.

## 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 23<sup>rd</sup> 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.

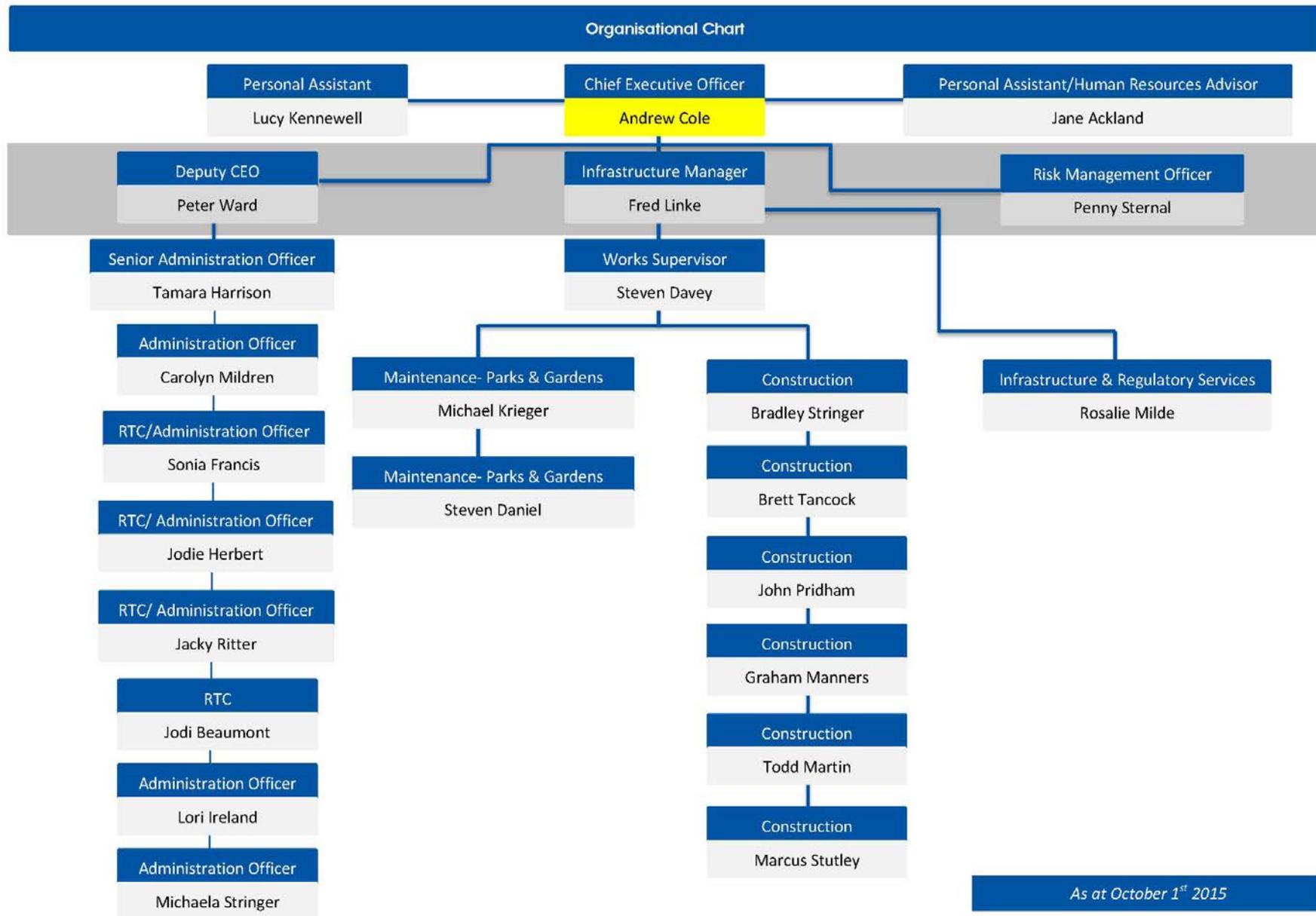
In November 2014, new mandatory training requirements have been introduced through changes to the Local Government Act 1999, requiring all Elected Members to complete a prescribed range of training activities within 12 months of a local government election.

The following training and development activities were undertaken in the 2014/2015 financial year:

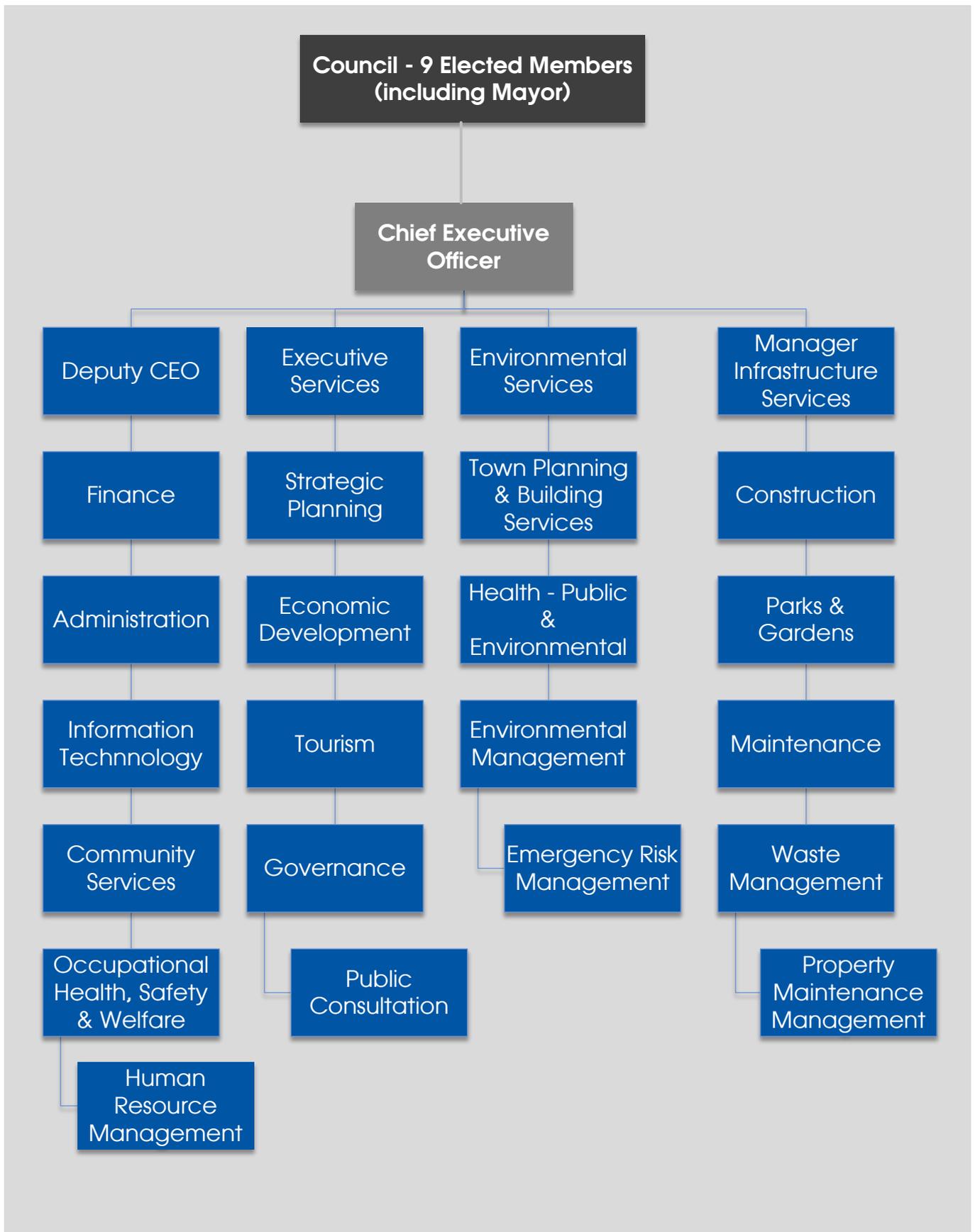
- Australian Local Government Conference 2015, Canberra;
- Local Government Association Roads & Works Conference;
- Local Government Association Ordinary & Annual General Meeting;
- Local Government Association meeting procedures/ chairperson skills seminar;
- Council Informal Gatherings and Workshops;
- Council Budget Workshops;
- Central Local Government Region meetings.
- Norman Waterhouse Post-Election Elected Member training.

For the reporting period concluding 30<sup>th</sup> June 2015, the sum of \$14,883 was expended on Elected Member training. The bulk of that expenditure was mandatory training as per LGA regulations.

# Organisational Chart as at October 2015



# Organisational Structure



# Human Resources

## Employee Statistics

Council employed 24 staff (20.9 Full time Equivalent) in total as at June 30, 2015.

Employees	Male	Female
Total	12.0	12.0
Total FTE	12.0	8.9
Australian Services Union	0	11.0
Local Government Employees Award	8.0	0.0
South Australian Municipal Salaried Officers Award	5.0	1.0



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.

Council has devoted resources toward Work Health & Safety. This is designed to provide a safe work environment for all employees, and to develop within employees an awareness of potential risks involved in various Council works practices.

Council conducted a range of employee examinations in conjunction with the Corporate Health Group, including eye checks, hearing tests, skin cancer screenings and general health assessments. The Corporate Health Group is engaged by the Local Government Association Workers Compensation Scheme to offer these services to all Councils.

## Staff Movements

The Manager Development Services resigned in 2014-15. That role was not directly replaced. The Council entered into a shared-service arrangement with the District Council of the Copper Coast to provide Development Service support.

The incumbent CEO Personal Assistant is on maternity leave. A contract CEO Personal Assistant was appointed in February 2015.

## Human Resource Management Programs

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.

During the year, a 'One Team' program was developed in order to establish a set of organisational values with which to build the capacity of the organisation to become a more effective and safe workplace.

The following graphic gives a pictorial view of the 'One Team' values, that highlight the aspiration to build an organisation that provides a safe place to work, that encourages communication between staff, and to work as 'one team' in the provision of services and programs to the local community, with the values of trust, pride in our work, respect, listening, and support.



These values have been incorporated in the staff performance appraisal system and will be affirmed in an ongoing basis.

## Register of Salaries

The following information is provided in accordance with Schedule 4, s.1(g) of the *Local Government Act 1999*.

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

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.

## Full Staff Listing

### Administration

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

\* Currently on maternity leave

### Environmental Services

*This function is resource shared with the District Council of the Copper Coast*

### Works - Construction

Manager Infrastructure Services.....	Robert (Fred) Linke
Works Supervisor .....	Steven Davey
Plant Operator.....	Graham Manners
Plant Operator.....	John Pridham
Plant Operator.....	Bradley Stringer
Plant Operator.....	Brett Tancock
Plant Operator.....	Todd Martin
Plant Operator.....	Marcus Stutley

### Works - Maintenance

Maintenance Officer .....	Steven Daniel
Maintenance Officer .....	Michael Krieger

## Full Contractor Listing

Council engages the following contractors on a needs basis:

Engineering .....	Wallbridge & Gilbert
Environmental Health.....	District Council of the Copper Coast
Planning .....	Development Answers
.....	District Council of the Copper Coast
Building Surveyors .....	Harmer CLG
.....	Colin Crockford
.....	District Council of the Copper Coast
Legal.....	Norman Waterhouse Lawyers
Auditors .....	Mr Ian McDonald
Finance.....	Skilmar
Human Resources. ....	TUBSolutions
Patrol Grader Operators.....	Colin Lamshed
.....	Robert Edwards
.....	Kenneth Naisbitt
Garbage Collection.....	Wardles Garbage
Cleaning.....	Jeannie Anderson
.....	Reg Chandler
.....	Bill Coad
.....	Shane Martin
.....	Gaye Soper
.....	Sam Traynor
.....	JL Willment
Bute Waste Disposal Site (supervision).....	Gary Bedford
Broughton Waste Transfer Station.....	Phil Clark

# Finance Report

## Results for 2014-15

Council reported a Gross Operating Deficit of \$998,262 for the year ended June 30 2015, compared to a gross deficit of \$776,065 in 2013/14. The net deficit in 2014/15 was \$868,872, compared to \$831,815 in 2013/14.

This operating deficit was significantly influenced by an increase in depreciation expense, as well as increased operating wages as a result of a reduction in the capital expenditure for the year.

Depreciation expense for the year was \$1.61M. Depreciation is a year-end non-cash accounting entry to reflect asset consumption during the year. It is Council's single largest item of expense by a significant margin.

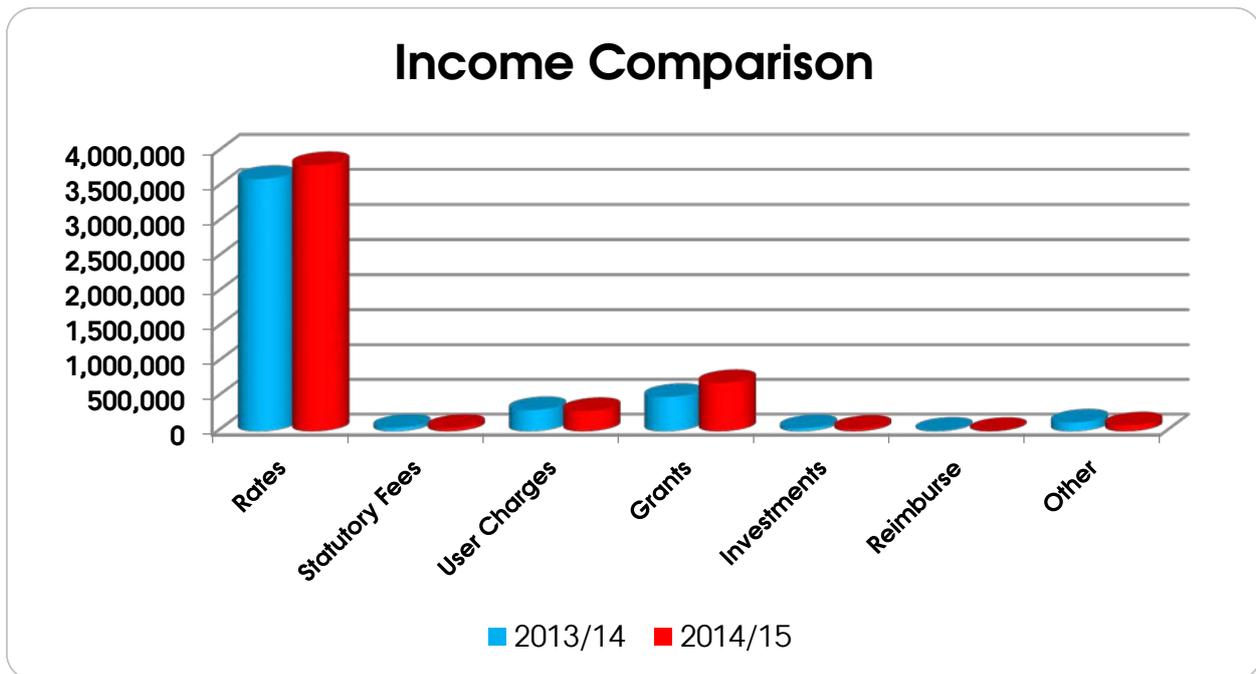
Council's depreciation expense is initially based on asset cost. The cost of the asset is not expensed in the year of purchase, but over the useful life of the asset. Council is required to revalue infrastructure and building assets at least once every 5 years. When the value of assets is revised upward, the depreciation expense is applied to this revalued amount and will increase, all other things being equal. The current revaluation in assets has resulted in an increase in overall depreciation, principally road infrastructure.

In summary form, the Operating Statement is as follows:

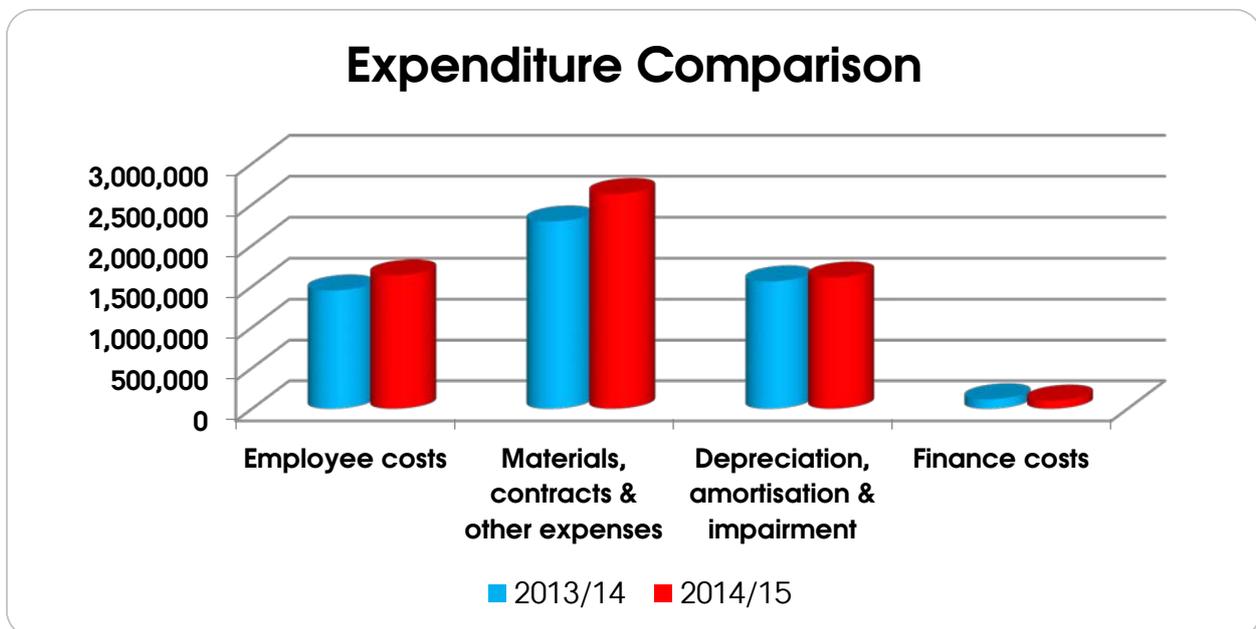
	<u>2014-15</u>	<u>2013-14</u>
Operating Income	4,976,428	4,642,577
Operating Expenditure	-4,366,198	-3,858,313
Gross Operating Surplus	610,230	784,264
Less	-1,608,492	-1,560,329
Depreciation/Amortization		
Net Operating Deficit	-998,262	-776,065

Council's cash reserves declined by \$291,999 in 2014/15.

## Income and Expenditure Comparisons



- Rates income increased by 5.47%.
- Grant Income increased by \$200,729 or 40.64%, principally due to the carry forward of the Premier’s grant from 2013/14.
- All other income decreased slightly.



- Employee costs increased by 12.80%. Three employees who commenced in 2013/14 only had partial years, whereas in 2014/15 they each had a full 12 months salary. The full time equivalent number of employees at the end of 2014/15 was similar to 2013/14, however all employees received a full years

wages. Council was also required to pay wages to the former CEO in settlement of his legal action against Council.

- Materials and contractor operating expenses increased by 14.75%, principally due to an increase in consultancy, professional services and legal expenses.
- Depreciation expense increased as a result of a large upward revaluation of all infrastructure asset classes.

## Financial Ratios

The **Operating Surplus Ratio** declined from -22.00% to -27.00%. 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. The **Adjusted Operating Surplus Ratio**, which takes into account the prepayment of Financial Assistance Grants in 2013/14, declined from -15.00% to -27.00%.

Ideally the target for this ratio is 0.00% or better. However, annual depreciation expense is currently \$1.61M, or 28.80% of Council's total operating expenditure, and such a high relative figure means it is extremely difficult for Council to achieve a surplus in the medium term out to 10 years, without significantly increasing rate income.

The **Net Financial Liabilities Ratio** increased from 23.00% to 25.00%. 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 has worsened due to Council reaching peak principal repayments on its existing loan portfolio. The repayments remain relatively high for 2015/16 and 2016/17, following which they decline significantly as several loans mature. Council has adopted a course to reduce its outstanding debt, and accordingly this has reduced Council's cash and investment holdings. This ratio will improve relatively quickly from 2017/18.

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 \$1.61M 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 was tabled at the September 2015 Audit committee meeting and adopted by Council at the November 2015 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, Buildings, CWMS and Stormwater assets. In addition, the Plant Replacement reviewed and formalized.

Council's buildings were revalued in 2013-14, but Council was dis-satisfied with the methodology and results. Council obtained a second revaluation of building assets, which will form the basis of the revised AMP.

## Waste Management

As part of the Zero Waste strategy, Council operates its dumps as waste transfer stations and is required to move all waste out of the Council district. Council now operates collection services for putrescible waste, organic (green) waste, recyclable waste and cardboard waste.

As well as the increased collection costs, Council is also responsible for freight of waste to recycling depots, as well as the recycling costs themselves.

The future direction of waste collection will be considered on a regional basis in consultation with Councils forming the Central Local Government Region.

In the interim, Council has extended its existing waste management contract for two 12 month periods, and will put the collection service out for tender in 2015/16.

## Cash Balances

Council held cash deposits and short term investment deposits as at June 30 2015 totalling \$954,518 (2014 = \$1,246,517). The decline of \$291,999 in effect represents the loan principal repayments made by Council in the 2014/15 financial year.

Bank cash deposits totalled \$35,598 (2014 = \$49,400), and Council had \$918,920 (2013 = \$1,197,117) invested on an 'at call' basis with the Local Government Finance Authority and the ANZ bank.

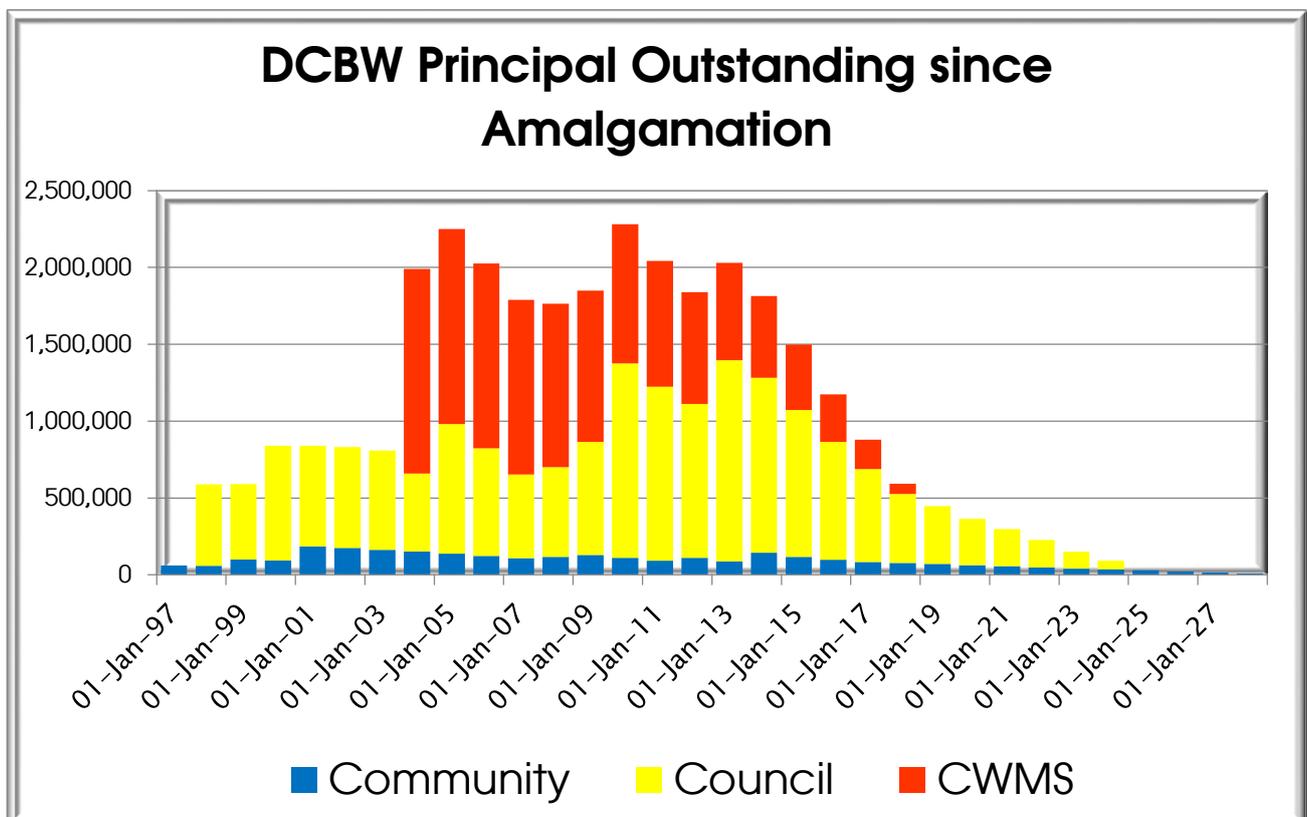
## Loans

Council has eleven (11) loans current as at June 30 2015. The total principal outstanding is \$1,497,481 (2014 = \$1,813,422).

Council took out four (4) 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.



The following table provides a listing of all outstanding Council loans:

No.#	Description	Rate	Amount	Term	Maturity	Principal Balance
14	PB CWMS Scheme	5.60%	1,360,000	15	15-07-18	424,388
17	PB Boat Ramp	6.30%	230,000	15	15-06-20	101,271
18	PB Library Extensions	8.07%	165,000	15	17-03-23	111,371
20	12M Grader	5.15%	228,000	7	15-04-16	37,743
21	PB Council Office	7.10%	550,000	15	17-05-25	425,749
22	JCB 3CX Backhoe	6.60%	90,000	7	15-02-17	30,009
25	Plant Purchases		400,000	5	17-06-18	250,936
<b>TOTAL</b>	<b>COUNCIL LOANS</b>		<b>2,963,000</b>			<b>1,381,468</b>
10	Bute Bowling Club	7.15%	100,000	15	15-08-15	5,299
18	PB Library Extensions	8.07%	25,000	15	17-03-23	16,874
24	PB Golf Club	5.25%	40,000	5	16-01-17	17,253
26	PB Bowling Club	6.00%	80,000	15	17-03-29	76,586
<b>TOTAL</b>	<b>COMMUNITY LOANS</b>		<b>215,000</b>			<b>116,013</b>
<b>TOTAL</b>	<b>LOANS</b>		<b>3,178,000</b>			<b>1,497,481</b>

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

Council continues to provide banking services in Port Broughton & Bute, and postage services in Bute only. Council is paid a fee to provide these services, however the fees do not cover Council's full cost in providing the services. Accordingly, providing these services is recognized as a cost to the community.

Elected Members and management are aware of this cost to Council, but consider that the services are required, given the absence of any banking outlets in either township. There is the added requirement to provide Bute residents with an outlet to use postage facilities and transact statutory account enquiries and payments.

## 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 prior to the 2014 local government elections were as follows:

- Ms Patricia Flood, Chairperson (attended 2 of 2 meetings)
- Mayor Dean Dolling (attended 2 of 2 meetings)
- Cr Grant Rowlands (attended 1 of 2 meetings)
- Cr Cynthia Axford (attended 2 of 2 meetings)
- Cr Brian Rooney (attended 2 of 2 meetings)

The Elected Members appointed to the Audit Committee after the 2014 local government elections were as follows:

- Ms Patricia Flood, Chairperson (attended 2 of 2 meetings)
- Mayor Cynthia Axford (attended 2 of 2 meetings)
- Deputy Mayor Dean Dolling (attended 1 of 2 meetings)
- Cr Margaret McDonald (attended 2 of 2 meetings)
- Cr Greg Winen (attended 0 of 2 meetings)

## Auditor

During the year the Council paid its auditor \$10,000. There were no significant audit issues raised during the year.

## 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 Community Grants scheme:

Bute Community Gym	Bute Community Gym - Bute Town Hall Railway Tce	\$ 5,000
Tickera CRA	Tickera Historic Well Upgrade - Stage 1	\$ 5,000
Bute Sporting Club	Community Room seating refurbishment	\$ 5,000
South Hummocks Model Aero Club	Purchase of Slasher	\$ 2,000
Alford Progress Association	Ride On Mower	\$ 2,500
Port Broughton CFS	CFS Defibrillator	\$ 2,950
Port Broughton Tennis Club	Tennis Ball Machine	\$ 1,000
Barunga West Outdoor Gym Working Party	Foreshore Fitness Facility	\$ 5,000
Mundoora Community Progress Association	Outdoor Seating	\$ 1,500
<b>TOTAL ALLOCATED</b>		<b>29,950</b>



Pt Broughton Foreshore Fitness Facility



Tickera Historic Well Upgrade



Peter Ward  
**Deputy CEO**

# Risk Management

## Work Health and Safety

Risk Management is not a stand-alone activity, separated from main business of Council. Risk Management is an essential part of the responsibilities of management and an integral part of all Council organisational processes.

Effective Risk and Work Health Safety Management systems contribute to demonstrable achievement of objectives and improvement of performance in health and safety, legal and regulatory compliance, public acceptance, environmental protection, governance, reputation and efficiency in operations.

Risk and Work Health Safety management should be embedded in all of Council's organisational practices and processes in a way that is relevant, effective and efficient, particularly in policy development, business and strategic planning, review and change of management processes.

This past year, substantial time has been invested toward the development of an achievable framework, tailoring it to our organisational needs. An integral part of this developmental process is mandating then obtaining commitment from the leadership team, integrating all elements into our developing organisational culture.

Emergency Management Policy, Procedures and risk assessments have become a cornerstone in our framework, with greater responsibility and accountability becoming evident with the implementation of routine emergency evacuation processes.

Further to this, the organisation has given a commitment towards the Local Government 'I-Responda Framework', assisting the planning and implementation of Council's response during an emergency event within our local or surrounding region.

Local Government Association and CFS training sessions, and the implementation of Council procedures registers, allows individuals to safely assist an Emergency Agency during an event, operating pre-identified Council plant & equipment.

A second cornerstone in our framework is Contractor Management, Procurement and Tendering Processes. Work is presently underway, with the support of LGRS's Regional Risk Coordinator, to upgrade Council's WHS management framework. During 2014/15, Council successfully gained grant funding support, through the LGRS Targeted Implementation Program (TIP), to source additional support to contribute to the this current effort.

The third cornerstone for report is Training. DCBW is required to provide on ongoing recognition and delivery of training requirements to all persons engaged as workers.

Consultation with Managers/Supervisors and other stakeholders, identify training relevant to position, regulatory training needs (First Aid, White Card or High Risk Licensing, etc) and competency requirements. Ongoing review of training needs to positions is captured in the Training Needs Plan, with implementation, evaluation and records retention improving, increasing positive KPI Audit results.

## Work Health and Safety Statistics 2014/15

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 <sup>th</sup> 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

# Planning & Development

Council has a Shared Services Agreement with the District Council of the Copper Coast in relation to Shared Services for Planning, Development and Environmental Services. The utilisation of Shared Services has seen the successful implementation and transition of systems to ensure all related applications and enquiries are answered promptly and accurately, whilst maintaining a high level of customer service.

A Planning Officer and Building Officer attend the Port Broughton office on average, one day per week, for the assessment of development applications, to perform any required inspections, meet with stakeholders where required and liaise with administration staff to ensure continuous improvement of services is delivered within specified timeframes and legislative requirements.

Health and Environmental Services staff constantly work towards providing a high level of service to ensure compliance, information to stakeholders and positive customer service, whilst working towards improved systems and reporting, including all areas from Wastewater applications, Food Premise inspections and liaison with government bodies such as SA Health.

## 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

At the 12<sup>th</sup> of August 2014 Ordinary Meeting of Council, it was resolved that for new dwellings only, all fees associated with development applications that do not require any percentage to be forwarded to the relevant agencies, be waived until 30 June 2015.

## Fisherman Bay Urban Design and Concept Plan

In anticipation of approval of Fisherman Bay Management Pty Ltd's application to create freehold properties at Fisherman Bay, Council engaged external consultants Hames Sharley to create a Concept Plan, including built form guidelines, to guide the preparation of a proposed future Development Plan Amendment for the Fisherman Bay area.



Community consultation was conducted through the development of the Concept Plan, with Session 1 held on the 20th of August 2014 at the Port Broughton Town Hall, and Session 2 held on the 21st of August 2014 at the Burnside Community Centre. The numbers of attendees was far greater than initially expected, with approximately 95 leaseholders attending the Port Broughton session, and approximately 45 leaseholders attending the Burnside session, with additional feedback provided directly to Council via email.

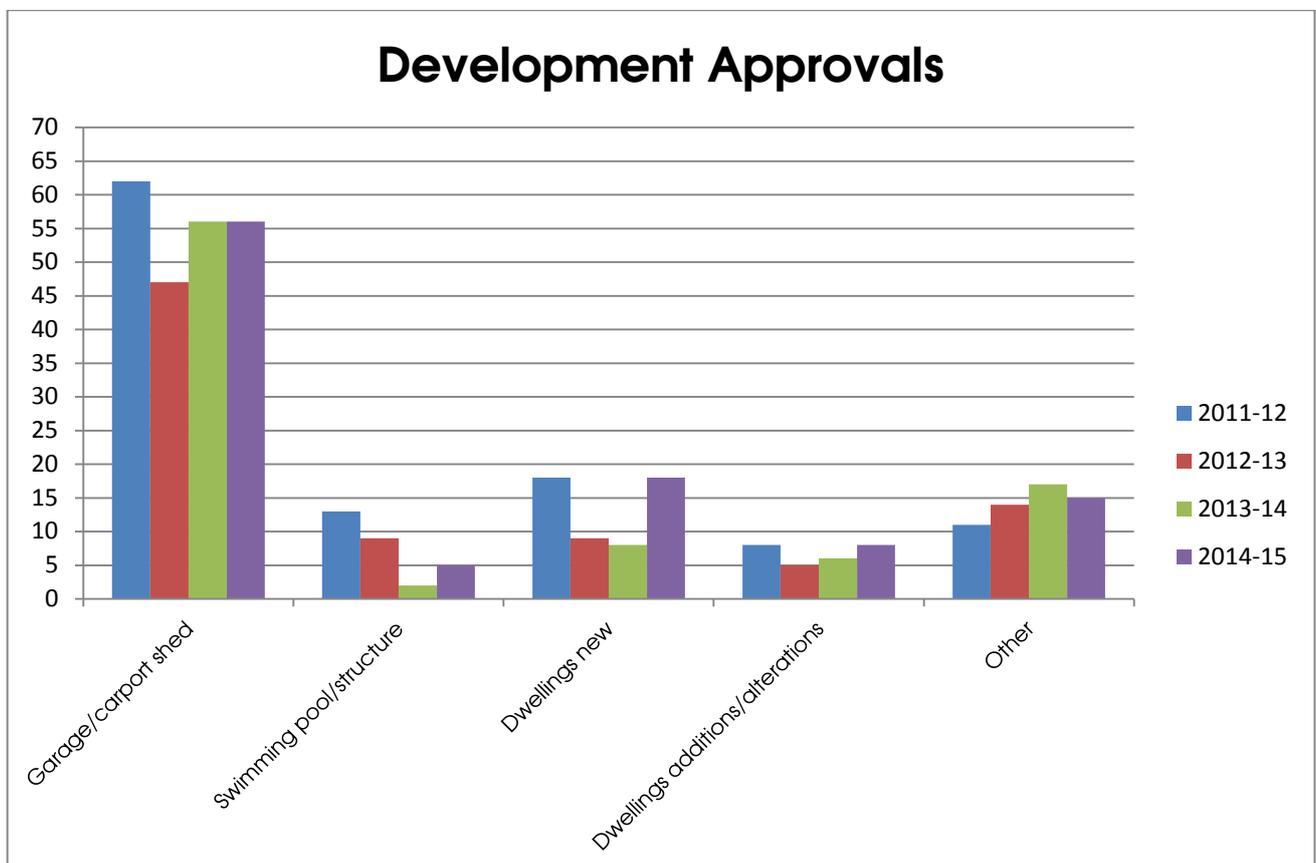
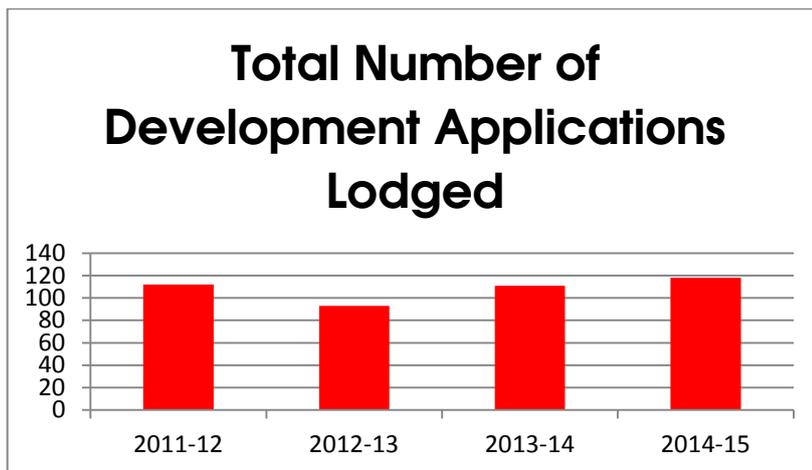
The next step in this process is to work with the Department of Planning to progress an application to the Minister (called a Statement of Intent or SOI) to authorise the commencement of a DPA to look at the development guidelines at Fisherman Bay.

## Planning

The Planning area continues to ensure development applications are processed within legislative time requirements.

There were 118 development applications lodged with Council for the 2014/2015 financial year. 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 types included the construction of dwellings, garage/carports, farm buildings and swimming pools.



The Development Assessment Panel was not required to meet for 2014/2015.

Land division applications received totalled three, resulting in four extra allotments being created, two in Bute and two in Port Broughton.

The value of developments for this year (\$5,616,449) is higher than the previous 12 months.

The Rural Living Development Plan Amendment was approved by the Minister in March 2015.

Council continues to utilise the services of Planning Consultant Mr David Altmann from Development Answers. Mr Altmann continues to provide his expertise and advice in the processing of Development Plan Amendments, Land Divisions and specifically the Fisherman's Bay Management Pty Ltd proposed land division at Fisherman Bay.

## Building

In March of 2015, Mr Colin Crockford, Assistant Building Surveyor retired after working at DC Barunga West on a part-time contracted basis for some 8 years. Colin's friendly manner, dedication and expertise will be surely missed, staff farewelled Colin, thanking him for his years of service and wishing him all the very best in his retirement years.

Building assessment is now conducted through the Shared Services Agreement with District Council of the Copper Coast. The Building Officer continues to utilise the services of Mr Peter Harmer, 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 conducted were approximately the same as the previous year of 124 inspections. Shared Services has seen the implementation of new systems and recording of inspections, this is continually being assessed and improved by both Shared Services staff and administration staff at Council.

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.

During the past year 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.

## 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.

Prior to the November 2014 Council Election the DAP members were:

- Independent Chair Mr John Meier
- Independent Member Mr Steve Horsell
- Independent Member Mr Graham Hancock
- Independent Member Ms Roslyn Talbot
- Council Member Cr Rusty Smith
- Council Member Cr Brian Rooney
- Council Member Cr Mark Weedon

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 & Health Services

Council continues to work with Shared Services staff from the District Council of the Copper Coast for all Environmental Health related matters. Staff are working towards improved reporting and records management of all Health related documentation and recording. Positive working relationships have been formed in all operational matters pertaining to Environmental Health, which has proven very beneficial for staff and stakeholders alike.

Statutory reporting under the SA Public Health Act has been effective and punctual; reports were submitted within required timeframes through improvement of reporting systems and positive communication between staff of both Councils.

Council has maintained its Public Health Regulations responsibilities with regard to a number of programs including - Mosquito control using baiting program; Communicable disease management; Waste disposal systems management and Community Wastewater Disposal system.

Mosquito management and reporting continues through various practices in the Port Broughton area, commencing in September and monitored through to May. This ensures Council remains proactive in the management of mosquitos in an on-going basis.

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

*Rosalie Milde*

**Development Services**

# Infrastructure Services

## Overview

The Infrastructure Services Department aim 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.

Council acknowledges that its facilities and amenities need to be 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 revise and further develop financial strategies aimed at working towards improved financial sustainability and asset management.



In 2014-2015 there were a range of projects and continued services for the benefit of community members.

## Asset Management

Council manages the infrastructure and other assets within the area on behalf of the community.

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.

Elected Members assist in the determination of the way in which existing assets are managed, how new assets are acquired and the overall programme for the maintenance and disposal of assets.

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
- 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

## Council's 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.



## Capital Roadworks 2014-15

Type	Road	Amount
Sealed	Hawk Crescent, Port Broughton	\$82,932
Formed - Non Built Up	Kerbing past Tickera Toilets	\$21,153
	Bews/Pine Forest Roads	\$6,678
	Haldanes Road	\$44,015
	Pump Station Road	\$113,110
	Tickera - Alford	\$105,330
	Strathneath Road	\$117,736
Other	Kulpara Car Park Seal	\$33,447
	Pb Skate Park Stormwater & Parking	\$64,347
<b>TOTAL</b>		<b>\$582,747</b>

## Tree Trimming

Council acknowledges the importance of road safety. The maintenance of roadside vegetation is an ongoing practice. This ensures the road network, provides safe passage of vehicles, farm machinery and road transport.



## Kerbside Waste Management

Waste Management is important to the Barunga West Council and remains as a key strategic focus to continue to improve on.

Changes in legislation have required dramatic changes in the way that Councils across Australia process rubbish, in particular the closing of old outdated rubbish dumps and the introduction of waste transfer stations with a focus on recycling of materials.

Council continues with its successful four bin kerbside collection system where by resident sort their recyclables prior to pick up. This provides cost savings to the community by eliminating the need for end user sorting which comes at a cost.

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

Council's four bins system consists of:

Red Lid – General Household Waste & Rubbish

Lime Green Lid – Organic Garden Waste

Green Lid – Paper and Cardboard only

Yellow Lid – Other Recycling



Council operates two Waste Transfer Stations located at Port Broughton and Bute.

Part of Council's ongoing service to the community is to continue to provide residents with free disposal of Garden Organics at both the Port Broughton and Bute Waste Transfer stations.



## drumMuster



The District Council of Barunga West continues to participate in the collection of Agvet chemical containers. The **drumMUSTER** containers are collected and transported by approved processors and delivered to materials recovery centres where they are recycled into items such as wheelie bins, fence posts and garden stakes.

Disposing of empty Agvet chemical containers in the right way is crucial to the reputation and sustainability of the agricultural industry in Australia. By using the **drumMUSTER** recycling program you can turn your unwanted containers into useful, sustainable products rather than having them placed into landfill or building up on farm.

The service is provided at both the Bute and Port Broughton Waste Transfer Stations. Delivery of containers can be arranged by contacting the Council Office.



## Port Broughton Seawall Replacement

During the 2014/15 financial year council was again successful in gaining grant funding to help with the financing of the replacement of the ageing and deteriorating Port Broughton Sea Wall. The upgrade of the sea wall is an important piece of infrastructure which helps maintain the integrity of the Port Broughton Foreshore precinct.





## Port Broughton Community Hall

Council continues to invest in its infrastructure to provide appropriate facilities for its community and those that visit. The Port Broughton Community Hall is a major venue which continues to provide a location for various organizations to hold functions. Council recognized that the building was lacking in amenities and subsequently budgeted and built a Disabled Toilet facility within the building.



## Works Depot Materials Handling Bays

The Port Broughton Council Works Depot has been reorganized with the installation of an area for the storage various materials. The depot grounds were not being utilized to its potential with portion of the yard unusable due to undulating ground. This area has now been levelled and gravelled followed by the installation of a concrete block retainer wall and concrete cells for various road making materials.



## Parks, Gardens & Reserves

Regular maintenance is scheduled for the preservation of Council's Parks, Gardens & Reserves. Council acknowledges the visual impact and impressions given to those utilising these areas, and is constantly working towards the beautification and provision of high standard facilities.

Funds are allocated annually to the Bute, Fisherman's Bay, Port Broughton, Kulpara, Tickera, Muntoora and Alford Progress Associations towards projects for community benefit.

Council uses grey water from the Port Broughton Community Wastewater Management Scheme to irrigate the Port Broughton Oval and Port Broughton Golf Club, which has been in practice for some years.

## Port Broughton Skate Park Car-parking area

The entrance to Port Broughton from the east on Bay Street has received an upgrade with the introduction of a sealed parking area.

It was recognized that there was a public safety risk issue at the parking area adjacent the Port Broughton Skate Park and Tourist Information Bay.

The area was continually being inundated with stormwater which caused pooling in turn creating a risk to the public.

The upgrade involved the removal of some pine trees to create space, the installation of kerbing and stormwater drainage, the sealing of the parking area and paving of the floor at the Tourist Information Bay. This has now eliminated stormwater flooding and created an all year round usable parking area.



### Bute Works Depot - Security

Security at the Bute Council Works Depot has been an ongoing issue. Council has recognized the need for security as well as safety of the public. The provision of a security fence around the perimeter of the Bute Works Depot is now complete with funds being allocated over a two year period.



## Kulpara Carpark

The Kulpara Hall Carpark has received funding from Council's Capital Fund to create an all weather parking area for users.

This site also houses Public toilets which are located to the rear of this carpark. These toilets are very well used by travellers to the Barunga West Region.

Works carried out include re-shaping of the site to provide stormwater drainage and the sealing of the site to provide all weather access.



## Animal Management

There has been an increase in the number of animals, in particular, dogs, found wandering within the Council area. Council aims to continue education for animal owners and their associated responsibilities and obligations through the media, advertising and social media.

Council recorded 573 registered dogs in the 2014-15 financial year, and handled the following number of issues:-

Barking Complaints	8
Wandering Dogs	7
Dogs returned to Owners	12
Dog Impounded	3
Dog Impounded then returned to Owner	3
Dog harasses person	0
Dog attacks person (police issue)	3
Dog harasses animal	0
Dog attacks animal	1

## 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**

# 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 & 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.

Decisions are made to determine whether or not approvals are to be granted for applications from residents for various forms of development.

### Council Subsidiaries

The Council, as at 30<sup>th</sup> June 2005, agreed to relinquish the status of all its Progress Associations as Section 41 or 42 Subsidiaries as defined by the Local Government Act 1999.

Council provides general liability insurance to Progress Associations and Clubs in the Council district, as part of its ongoing support of these entities.

The Central Local Government Region of South Australia, which comprises 15 Councils within the central region of the State, is the only Subsidiary Committee in which Council is involved. A copy of their Annual Report is attached to the Council's Annual Report.

### 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
Dog 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
Citizen Ceremonies	Cemeteries
Business Support	Natural Resource Management

Septic Tank Effluent Disposal Schemes	Building Fire Safety Inspections
Roadside Tree Trimming	Home and Community Care Services
Public Toilets	Street Sweeping
Centrelink Agency	ANZ Bank Agency
Local Representation	Fire Prevention
Economic Development	Environmental Health
Footpaths	Pest Plants and Animal Control
Caravan Parks	Local road Construction and Maintenance
Coastcare and Projects	Parks and Gardens
Boat Ramp Construction and Maintenance	Reserves, Picnic and Camping Areas
Community Town Halls	Free Internet in Libraries
Water Supply	Service SA Agency
Playgrounds	

## 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:

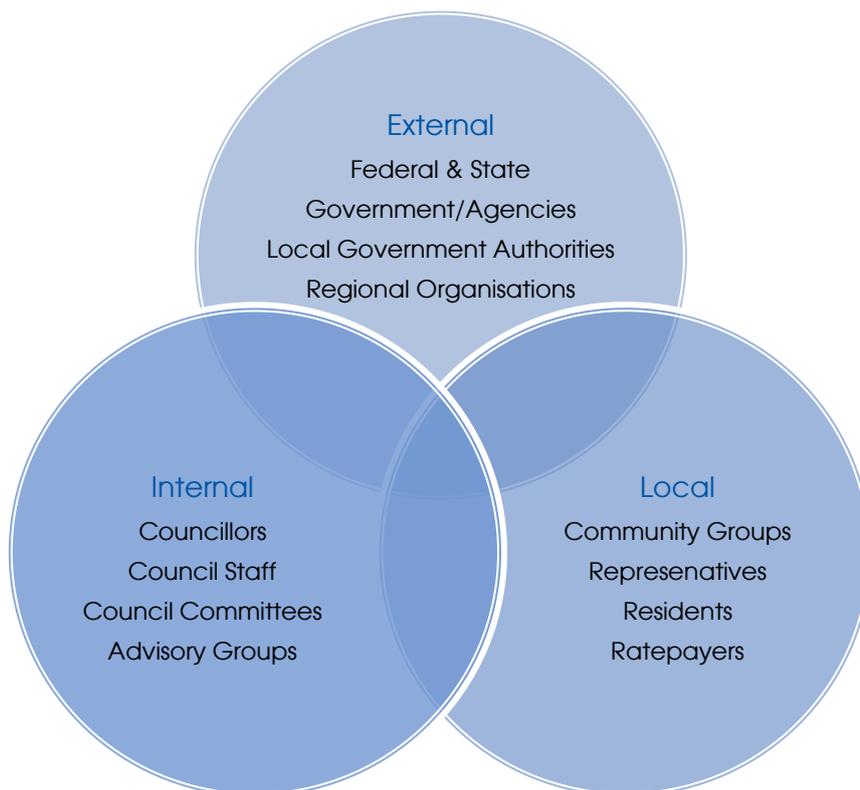
- Identify potential stakeholders in each specific circumstance
- Ensure information is easily understood and accessible to identified stakeholders, and include contact details for obtaining further information in all communications
- A range of appropriate opportunities will be provided for people to 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.

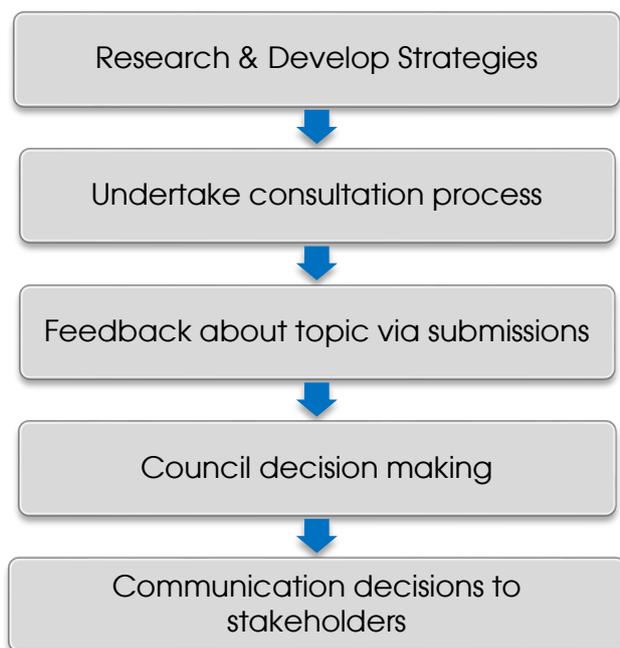
## The decision making process

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  
Annual Business Plan & Budget  
Annual Financial Statements  
Annual Report  
Council Agendas and Minutes for meetings of Council  
Council By-Laws  
Policy Manual  
Development Plans  
Order Making Policy  
Assessment Book  
Council Registers  
Voters Roll  
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 2014/15 year, the Council did not receive any requests 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 2014/2015 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 nine (9) separate meetings.

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

Disclosure of personal affairs – Seven (7) times

Commercial Issues – Six (6) times

## 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) thirteen (13) 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

ANZ Bank “Rural Link Agency”

Human Services (including Medicare and Child Support)

Services SA

### Bute

Australia Post

ANZ EFTPOS service

## 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.

# Community Events

## Citizen of the Year Awards for 2015

Photos courtesy of YP Country Times

### CITIZEN OF THE YEAR

Port Broughton District – **Julie Arbon**

Bute District- **John Pridham**



■ **CITIZEN OF THE YEAR...** John Pridham receives his award for District Council of Barunga West Citizen of the Year from DCBW mayor Cynthia Axford.



■ **CITIZEN OF THE YEAR...** Julie Arbon was named this year's District Council of Barunga West Citizen of the Year. Pictured with Julie are family members, back: Lissy Arbon, Nathan Arbon, Natalie Ferme, Colin Ferme, Nigel Arbon, Judy Hopkins; front: Mabel Arbon, Elsie Arbon, Bailey Ferme, Eden Ferme, Julie, Stella Arbon and Cooper Ferme.



■ **EVENT OF THE YEAR...** Members of the Kulpara Red Cross Branch, in no particular order: Ros Colliver, Chris Pearce, Heather Bartsch, Dianne Correll, Jo Daniel, Dawn Penney, Roslyn Poole, Debra Pridham, Pat Pridham, Chris Daniel and Sharon Millard accept the District Council of Barunga West Bute Event of the Year award for the group's centenary celebrations from DCBW mayor Cynthia Axford.

### COMMUNITY EVENT OF THE YEAR

Port Broughton District – **Port Broughton Progress Association, Christmas Festival and Pageant**

Bute District- **Kulpara Red Cross Centenary**

The Council congratulates all of the winners on their success and thanks them for their contribution to our community. We would ask that all ratepayers and community groups give consideration to the nomination process for 2016, especially for Young Citizens and Community Events.



■ **EVENT OF THE YEAR...** Port Broughton Progress Association members Pat Washington, Cheryl Richardson, Penny Smith, Lyn Wigzell, Graham Bowden, Ronda Evers, Bev Hewett, Judy Stringer and Julie Arbon accept the District Council of Barunga West Port Broughton Event of the Year award for the Christmas festival.

**Bute field gun dedicated**

Dedication ceremony of the M2A2 105mm Howitzer field gun, Bute RSL Memorial Garden



■ DEDICATION... Former Bute RSL sub-branch president Dennis Murphy and former governor Kevin Scarce dedicate the ex-Vietnam M2A2 105mm Howitzer field gun on Friday. It took three years for the sub-branch to acquire the gun after it became available for purchase from the Australian Government Department of Defence. Mr Murphy started the process of applying for the gun in 2011 and it is now proudly on display at the RSL memorial garden.

*Photo courtesy of YP Country Times*

2015 Spencer Gulf Cruise

Pt Broughton- Whyalla- Pt Augusta- Pt Pirie



Remembrance Day 2014, Pt Broughton

## Citizenship Ceremonies for 2015



■ **NEW CITIZENS...** District Council of Barunga West mayor Cynthia Axford congratulates John, Marian and Yvette Burgess, of Bute, on becoming Australian citizens.

*Photo courtesy of YP Country Times*

Yvette, Marian and John Burgess of Bute became Australian Citizens at the 2015 Australia Day celebrations at Bute on the 26<sup>th</sup> of January.



Ayeman Elrayes of Bute became an Australian Citizen at a citizenship ceremony held on the 14<sup>th</sup> of April 2015 at the Pt Broughton Council office.

# Appendix A

# Appendix A

*Annual Financial Statements*



# DISTRICT COUNCIL OF BARUNGA WEST

## General Purpose Financial Reports for the year ended 30 June 2015

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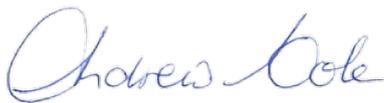
# DISTRICT COUNCIL OF BARUNGA WEST

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

### CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2015 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



.....  
Andrew John Cole  
**CHIEF EXECUTIVE OFFICER**



.....  
Cynthia Axford  
**MAYOR**

Date:

**DISTRICT COUNCIL OF BARUNGA WEST**

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

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Rates	2	3,807,336	3,610,044
Statutory charges	2	51,173	53,245
User charges	2	292,610	304,648
Grants, subsidies and contributions	2	694,705	493,976
Investment income	2	37,815	45,584
Reimbursements	2	6,321	8,829
Other income	2	86,468	126,251
<b>Total Income</b>		<u>4,976,428</u>	<u>4,642,577</u>
<b>EXPENSES</b>			
Employee costs	3	1,635,030	1,449,435
Materials, contracts & other expenses	3	2,630,289	2,292,233
Depreciation, amortisation & impairment	3	1,608,492	1,560,329
Finance costs	3	100,879	116,645
<b>Total Expenses</b>		<u>5,974,690</u>	<u>5,418,642</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(998,262)</b>	<b>(776,065)</b>
Asset disposal & fair value adjustments	4	(4,018)	(80,550)
Amounts received specifically for new or upgraded assets	2	110,200	24,800
Physical resources received free of charge	2	29,208	-
<b>NET SURPLUS / (DEFICIT)</b>		<u>(862,872)</u>	<u>(831,815)</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	23,110,210	-
<b>Total Other Comprehensive Income</b>		<u>23,110,210</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>22,247,338</u>	<u>(831,815)</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 2015

<b>ASSETS</b>	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	954,518	1,246,517
Trade & other receivables	5	216,613	283,352
Inventories	5	53,841	54,979
<b>Total Current Assets</b>		<u>1,224,972</u>	<u>1,584,848</u>
<b>Non-current Assets</b>			
Financial assets	6	99,227	122,209
Infrastructure, property, plant & equipment	7	60,948,189	38,471,130
Other non-current assets	6	-	24,800
<b>Total Non-current Assets</b>		<u>61,047,416</u>	<u>38,618,139</u>
<b>Total Assets</b>		<u>62,272,388</u>	<u>40,202,987</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	566,646	466,629
Borrowings	8	322,685	315,941
Provisions	8	412,178	388,056
<b>Total Current Liabilities</b>		<u>1,301,509</u>	<u>1,170,626</u>
<b>Non-current Liabilities</b>			
Borrowings	8	1,174,796	1,497,481
Provisions	8	53,257	39,392
<b>Total Non-current Liabilities</b>		<u>1,228,053</u>	<u>1,536,873</u>
<b>Total Liabilities</b>		<u>2,529,562</u>	<u>2,707,499</u>
<b>NET ASSETS</b>		<u>59,742,826</u>	<u>37,495,488</u>
<b>EQUITY</b>			
Accumulated Surplus		(470,972)	471,094
Asset Revaluation Reserves	9	59,815,253	36,705,043
Other Reserves	9	398,545	319,351
<b>TOTAL EQUITY</b>		<u>59,742,826</u>	<u>37,495,488</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 2015

2015	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Available for sale Financial Assets \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		471,094	36,705,043	-	319,351	37,495,488
<b>Net Surplus / (Deficit) for Year</b>		<b>(862,872)</b>				<b>(862,872)</b>
<b>Other Comprehensive Income</b>						
Gain on revaluation of infrastructure, property, plant & equipment			23,110,210			23,110,210
Transfers between reserves		(79,194)			79,194	-
<b>Balance at end of period</b>		<b>(470,972)</b>	<b>59,815,253</b>	<b>-</b>	<b>398,545</b>	<b>59,742,826</b>
<b>2014</b>						
Balance at end of previous reporting period		1,442,334	36,705,043		179,926	38,327,303
<b>Net Surplus / (Deficit) for Year</b>		<b>(831,815)</b>				<b>(831,815)</b>
<b>Other Comprehensive Income</b>						
Transfers between reserves		(139,425)			139,425	-
<b>Balance at end of period</b>		<b>471,094</b>	<b>36,705,043</b>	<b>-</b>	<b>319,351</b>	<b>37,495,488</b>

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 2015

		2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes	\$	\$
<u>Receipts</u>			
Rates - general & other		3,867,975	3,607,059
Fees & other charges		56,290	57,475
User charges		316,185	593,522
Investment receipts		39,082	44,844
Grants utilised for operating purposes		890,280	531,024
Reimbursements		6,953	9,712
Other revenues		361,485	438,800
<u>Payments</u>			
Employee costs		(1,592,552)	(1,459,562)
Materials, contracts & other expenses		(3,033,377)	(2,597,033)
Finance payments		(105,652)	(119,711)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>806,669</b>	<b>1,106,130</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		110,200	24,800
Sale of replaced assets		5,608	5,880
Sale of surplus assets		-	18,800
Repayments of loans by community groups		32,423	25,534
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(493,646)	(774,166)
Expenditure on new/upgraded assets		(437,313)	(43,706)
Loans made to community groups		-	(92,000)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(782,728)</b>	<b>(834,858)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		-	80,000
<u>Payments</u>			
Repayments of borrowings		(315,941)	(295,614)
Repayment of finance lease liabilities		-	(29,805)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(315,941)</b>	<b>(245,419)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(291,999)</b>	<b>25,853</b>
Cash & cash equivalents at beginning of period	11	<b>1,246,517</b>	1,220,664
	11	<b>954,518</b>	1,246,517

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 2015

## **Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

### **1 Basis of Preparation**

#### **1.1 Compliance with Australian Accounting Standards**

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

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

#### **1.2 Historical Cost Convention**

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

#### **1.3 Critical Accounting Estimates**

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

#### **1.4 Rounding**

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

### **2 The Local Government Reporting Entity**

*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.

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. In June 2012, one quarter of the 2012/13 allocation: \$147,953; and in June 2013, two quarters of the 2013/14 allocation: \$271,571. Accordingly, the operating results of these periods were distorted compared to those that would have been reported had the grants been paid in a consistent manner.*

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

*Note 1 - Significant Accounting Policies (cont)*

*These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was \$271,571, which has adversely affected the operating result for that year. The 2014/15 financial year reflects the receipt of one full year's allocation.*

*On June 30 2015, Council received two quarters of the 2014/15 allocation: \$285,775, which was paid directly into Council's general investment account. Council could not access those funds until July 1 2015, and accordingly they are treated as income received in advance.*

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

**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.*

**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.*

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

*Note 1 - Significant Accounting Policies (cont)*

*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.*

**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.*

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

*Note 1 - Significant Accounting Policies (cont)*

**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".

**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.

<i>Weighted average discount rate</i>	<i>3.71% (2014, 3.95%)</i>
<i>Weighted average settlement period</i>	<i>1.77 years (2014, 1.78 years)</i>

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.

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

*Note 1 - Significant Accounting Policies (cont)*

**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.

**11 Joint Ventures and Associated Entities**

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

**12 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.*

**13 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.*

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

*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 2015

### Note 2 - INCOME

	Notes	2015 \$	2014 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		<b>3,391,205</b>	3,218,943
Less: Mandatory Rebates		<b>(52,283)</b>	(50,344)
Less: Discretionary Rebates, Remissions & Write offs		<b>(10,538)</b>	(8,538)
		<b><u>3,328,384</u></b>	<u>3,160,061</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management Levy		<b>144,065</b>	137,898
Community Wastewater Mgmt Systems		<b>315,330</b>	289,840
		<b><u>459,395</u></b>	<u>427,738</u>
<u>Other Charges</u>			
Penalties for late payment		<b>19,665</b>	23,128
		<b><u>19,665</u></b>	<u>23,128</u>
Less: Discretionary rebates, remissions & write offs		<b>(108)</b>	(883)
		<b><u>3,807,336</u></b>	<u>3,610,044</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		<b>295</b>	1,500
Town planning fees		<b>27,971</b>	34,926
Animal registration fees & fines		<b>13,343</b>	11,850
Other licences, fees, & fines		<b>9,564</b>	4,969
		<b><u>51,173</u></b>	<u>53,245</u>
<b>USER CHARGES</b>			
Cemetery & Crematoria fees		<b>12,524</b>	13,587
Caravan Parks		<b>96,095</b>	95,414
Post Office & Rural Transaction Centre		<b>88,666</b>	97,423
CWMS Sub-division Fees		<b>15,650</b>	7,185
Hall & Equipment Hire		<b>36,952</b>	35,300
Boat Ramp Fees & Permits		<b>22,287</b>	19,618
Sanitation & Garbage		<b>16,166</b>	30,149
Sundry		<b>4,270</b>	5,972
		<b><u>292,610</u></b>	<u>304,648</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		<b>12,658</b>	16,884
Banks & other		<b>16,210</b>	23,185
Loans to community groups		<b>8,947</b>	5,515
		<b><u>37,815</u></b>	<u>45,584</u>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### NOTE 2 - INCOME (continued)

		2015	2014
	Notes	\$	\$
<b>REIMBURSEMENTS</b>			
- for private works		5,420	6,147
- other		901	2,682
		6,321	8,829
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		28,718	33,692
Rebates received		39,211	68,446
Sundry		18,539	24,113
		86,468	126,251
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		110,200	24,800
Other grants, subsidies and contributions		694,705	493,976
		804,905	518,776
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
<i>Commonwealth government</i>		137,960	152,419
<i>State government</i>		666,945	366,357
		804,905	518,776
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>			
PB Foreshore Playground		29,208	-
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>		29,208	-

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 3 - EXPENSES

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,384,425	1,175,379
Employee leave expense		110,376	172,768
Superannuation - defined contribution plan contributions	18	95,131	70,399
Superannuation - defined benefit plan contributions	18	37,135	51,280
Workers' Compensation Insurance		70,071	58,438
Other		37,089	51,493
Less: Capitalised and distributed costs		(99,197)	(130,322)
<b>Total Operating Employee Costs</b>		<b>1,635,030</b>	<b>1,449,435</b>
 <b>Total Number of Employees</b>		<b>21</b>	<b>21</b>
<i>(Full time equivalent at end of reporting period)</i>			
 <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		10,000	10,000
Elected members' expenses		99,819	60,493
Election expenses		9,482	-
Operating Lease Rentals - cancellable leases		11,970	6,689
Subtotal - Prescribed Expenses		<b>131,271</b>	<b>77,182</b>
 <u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		1,070,923	969,299
Utilities		197,235	181,839
Insurance		171,349	174,191
Maintenance		74,144	95,868
Legal Expenses		101,647	117,549
Levies paid to government - NRM levy		143,379	136,818
- Other Levies		45,217	39,279
Parts, accessories & consumables		256,626	126,485
Professional services		205,986	152,113
Sundry		232,512	221,610
Subtotal - Other Materials, Contracts & Expenses		<b>2,499,018</b>	<b>2,215,051</b>
		<b>2,630,289</b>	<b>2,292,233</b>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 3 - EXPENSES (cont)

	Notes	2015 \$	2014 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		<b>277,337</b>	382,155
Infrastructure			
- Sealed Roads		<b>198,629</b>	214,299
- Unsealed Roads		<b>784,147</b>	641,860
- Footpaths, Kerb & Gutter		<b>67,882</b>	29,727
- Stormwater Drainage		<b>36,569</b>	27,754
- CWMS		<b>106,141</b>	96,428
Plant, Machinery & Equipment		<b>137,159</b>	137,922
Office Equipment, Furniture & Fittings		<b>628</b>	30,184
		<b><u>1,608,492</u></b>	<b><u>1,560,329</u></b>
<b>FINANCE COSTS</b>			
Interest on overdraft and short-term drawdown			
Interest on Loans		<b>100,879</b>	114,750
Charges on Finance Leases		-	1,895
		<b><u>100,879</u></b>	<b><u>116,645</u></b>

# DISTRICT COUNCIL OF BARUNGA WEST

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

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

	2015	2014
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b><i>Assets renewed or directly replaced</i></b>		
Proceeds from disposal	5,608	5,880
Less: Carrying amount of assets sold	9,626	7,708
<b>Gain (Loss) on disposal</b>	<b>(4,018)</b>	<b>(1,828)</b>
<b><i>Assets surplus to requirements</i></b>		
Proceeds from disposal	-	18,800
Less: Carrying amount of assets sold	-	97,522
<b>Gain (Loss) on disposal</b>	<b>-</b>	<b>(78,722)</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b>(4,018)</b>	<b>(80,550)</b>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 5 - CURRENT ASSETS

	2015	2014
<b>CASH &amp; EQUIVALENT ASSETS</b>		
	Notes	
	\$	\$
Cash on Hand and at Bank	35,598	49,400
Deposits at Call	918,920	1,197,117
	<u>954,518</u>	<u>1,246,517</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	164,149	224,788
Accrued Revenues	1,971	3,238
Debtors - general	27,511	21,825
GST Recoupment	-	1,077
Loans to community organisations	22,982	32,424
	<u>216,613</u>	<u>283,352</u>
<b>INVENTORIES</b>		
Stores & Materials	53,841	54,979
	<u>53,841</u>	<u>54,979</u>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 6 - NON-CURRENT ASSETS

	Notes	2015 \$	2014 \$
<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		<u>99,227</u>	<u>122,209</u>
<b>TOTAL FINANCIAL ASSETS</b>		<u><b>99,227</b></u>	<u><b>122,209</b></u>
<b>OTHER NON-CURRENT ASSETS</b>			
Capital Works-in-Progress		<u>-</u>	<u>24,800</u>
		<u>-</u>	<u>24,800</u>

## DISTRICT COUNCIL OF BARUNGA WEST

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

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

		2014				2015			
		\$				\$			
Fair Value Level		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	2	7,559,183	10,000	-	7,569,183	<b>3,785,220</b>	-	-	<b>3,785,220</b>
	2	18,723,092	3,046,594	(14,513,459)	7,256,227	<b>15,363,352</b>	<b>366,975</b>	<b>(4,286,904)</b>	<b>11,443,423</b>
		<b>Infrastructure</b>							
	3	13,648,369	-	(3,451,282)	10,197,088	<b>8,653,999</b>	<b>82,932</b>	<b>(2,786,900)</b>	<b>5,950,031</b>
	3	15,915,985	3,757,604	(12,938,729)	6,734,860	<b>38,185,001</b>	<b>435,469</b>	<b>(11,016,011)</b>	<b>27,604,459</b>
	3	2,029,913	-	(951,947)	1,077,966	<b>4,529,578</b>	-	<b>(1,085,495)</b>	<b>3,444,083</b>
	3	2,324,467	-	(845,348)	1,479,119	<b>2,884,252</b>	<b>64,347</b>	<b>(1,084,405)</b>	<b>1,864,194</b>
	3	4,574,308	10,500	(1,349,423)	3,235,385	<b>7,606,721</b>	<b>18,334</b>	<b>(1,559,075)</b>	<b>6,065,980</b>
		-	2,055,393	(1,142,779)	912,614	-	<b>2,051,204</b>	<b>(1,268,466)</b>	<b>782,738</b>
		-	61,037	(52,348)	8,689	-	<b>61,037</b>	<b>(52,976)</b>	<b>8,061</b>
		64,775,317	8,941,128	(35,245,315)	38,471,130	<b>81,008,123</b>	<b>3,080,298</b>	<b>(23,140,232)</b>	<b>60,948,189</b>
		<b>64,776,696</b>	<b>8,386,881</b>	<b>(33,923,903)</b>	<b>39,239,674</b>	<b>64,775,317</b>	<b>8,941,128</b>	<b>(35,245,315)</b>	<b>38,471,130</b>

*Comparatives*

*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 2015

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

	2014	CARRYING AMOUNT MOVEMENTS DURING YEAR						2015
	\$	\$						\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals						
Land	7,569,183	-	-	-	-	-	(3,783,963)	3,785,220
Buildings & Other Structures	7,256,227	366,975	-	-	(277,337)	-	4,097,558	11,443,423
Infrastructure								
- Sealed Roads	10,197,088	82,932	-	-	(198,629)	-	(4,131,360)	5,950,031
- Unsealed Roads	6,734,860	-	435,469	-	(784,147)	-	21,218,278	27,604,459
- Footpaths, Kerb & Gutter	1,077,966	-	-	-	(67,882)	-	2,433,999	3,444,083
- Stormwater Drainage	1,479,119	64,347	-	-	(36,569)	-	357,297	1,864,194
- CWMS	3,235,385	-	18,334	-	(106,141)	-	2,918,401	6,065,980
Plant, Machinery & Equipment	912,614	-	16,909	(9,626)	(137,159)	-	-	782,738
Office Equipment, Furniture & F	8,689	-	-	-	(628)	-	-	8,061
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>38,471,130</b>	<b>514,254</b>	<b>470,712</b>	<b>(9,626)</b>	<b>(1,608,492)</b>	<b>-</b>	<b>23,110,210</b>	<b>60,948,189</b>
<b>Comparatives</b>	<b>39,239,674</b>	<b>44,571</b>	<b>852,444</b>	<b>(105,230)</b>	<b>(1,560,329)</b>	<b>-</b>		<b>38,471,130</b>

*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 2015

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

#### Valuation of Assets

##### **General Valuation Principles**

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

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

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

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

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

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

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

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

## District Council of Barunga West

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

#### 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	5 to 100 years
Sealed Roads – Structure	5 to 100 years
Unsealed Roads	5 to 100 years
Bridges – Concrete	5 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 2015

#### **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 (2014 – 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. 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 2015

### Note 8 - LIABILITIES

		2015		2014	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Notes	Current	Non-current	Current	Non-current
Goods & Services		212,151		306,927	
Payments received in advance		285,775		90,200	
Accrued expenses - employee entitlements		37,319		32,828	
Accrued expenses - other		21,401		26,174	
Deposits, Retentions & Bonds		10,000		10,500	
		<b>566,646</b>	-	466,629	-

### **BORROWINGS**

Loans		322,685	1,174,796	315,941	1,497,481
		<b>322,685</b>	<b>1,174,796</b>	315,941	1,497,481

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

### **PROVISIONS**

Employee entitlements (including oncosts)		286,178	53,257	262,056	39,392
Future reinstatement / restoration, etc		126,000		126,000	
		<b>412,178</b>	<b>53,257</b>	388,056	39,392

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

### **Movements in Provisions - 2015 year only** (current & non-current)

	Carbon Tax	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance			126,000	
Closing Balance			126,000	

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 9 - RESERVES

<b>ASSET REVALUATION RESERVE</b>	1/7/2014	Net Increments (Decrements)	Transfers, Impairments	30/6/2015
Notes	\$	\$	\$	\$
Land	7,559,183	(3,783,964 )	-	<b>3,775,219</b>
Buildings & Other Structures	8,112,728	4,097,558	-	<b>12,210,286</b>
Infrastructure	15,700,522	19,520,917	-	<b>35,221,439</b>
CWMS	3,711,818	2,918,402	-	<b>6,630,220</b>
Stormwater Drainage	1,620,792	357,297	-	<b>1,978,089</b>
<b>TOTAL</b>	<b>36,705,043</b>	<b>23,110,210</b>	<b>-</b>	<b>59,815,253</b>
<i>Comparatives</i>	<i>36,705,043</i>	<i>-</i>	<i>-</i>	<i>36,705,043</i>

<b>OTHER RESERVES</b>	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
CWMS	296,013	73,780	-	<b>369,793</b>
Open Space	23,338	5,414	-	<b>28,752</b>
<b>TOTAL OTHER RESERVES</b>	<b>319,351</b>	<b>79,194</b>	<b>-</b>	<b>398,545</b>
<i>Comparatives</i>	<i>179,926</i>	<i>141,482</i>	<i>(2,057)</i>	<i>319,351</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 2015

### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

		2015	2014
	Notes	\$	\$
<b>CASH &amp; FINANCIAL ASSETS</b>			
CWMS Reserve		<b>369,793</b>	296,013
Open Space Reserve		<b>28,752</b>	23,338
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>398,545</b>	319,351

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	<b>954,518</b>	1,246,517
Balances per Cash Flow Statement		<b><u>954,518</u></b>	<b><u>1,246,517</u></b>

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

Net Surplus (Deficit)		<b>(862,872)</b>	(831,815)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<b>1,608,492</b>	1,560,329
Net increase (decrease) in unpaid employee benefits		<b>42,478</b>	(10,127)
Non-cash asset acquisitions		<b>(29,208)</b>	-
Grants for capital acquisitions treated as Investing Activity		<b>(110,200)</b>	(24,800)
Net (Gain) Loss on Disposals		<b>4,018</b>	80,550
		<b><u>652,708</u></b>	<b><u>774,137</u></b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>57,297</b>	262,415
Net (increase) decrease in inventories		<b>1,138</b>	30,532
Net increase (decrease) in trade & other payables		<b>95,526</b>	39,046
<b>Net Cash provided by (or used in) operations</b>		<b><u>806,669</u></b>	<b><u>1,106,130</u></b>
Acquisition of assets by means of:			
- Physical resources received free of charge	3	<b>29,208</b>	-
		<b><u>29,208</u></b>	<b><u>-</u></b>

**(d) Financing Arrangements**

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

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

The Cash Advance Debenture facility may be drawn at any time.

## DISTRICT COUNCIL OF BARUNGA WEST

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

#### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2015	2014	2015	2014	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Administration	4,231,606	3,849,399	999,637	744,078	3,231,969	3,105,321	371,145	166,133	3,089,157	3,243,102
Public Order & Safety	13,343	11,850	97,225	80,127	(83,882)	(68,277)	-	-	802,248	64,500
Health	-	-	18,392	21,672	(18,392)	(21,672)	-	-	-	-
Social Security & Welfare	-	-	2,595	2,520	(2,595)	(2,520)	-	-	85,000	53,655
Housing & Community	172,570	196,092	1,324,651	1,321,123	(1,152,081)	(1,125,031)	-	-	7,004,128	5,039,795
Protection of the Environment	-	-	82,740	80,582	(82,740)	(80,582)	110,200	24,800	1,682,147	2,418,767
Sport & Recreation	33,516	33,880	607,243	644,879	(573,727)	(610,999)	924	3,876	7,456,599	3,831,128
Agricultural Services	-	-	-	2,367	-	(2,367)	-	-	-	-
Mining & Construction	9,813	6,335	86,565	86,509	(76,752)	(80,174)	-	-	-	-
Transport & Communication	322,917	323,967	2,092,692	1,735,882	(1,769,775)	(1,411,915)	322,636	323,967	38,862,767	19,489,032
Economic Affairs	114,130	111,454	155,233	203,700	(41,103)	(92,246)	-	-	1,422,819	2,339,053
Other Purposes	78,533	109,600	507,717	495,203	(429,184)	(385,603)	-	-	1,867,523	3,723,955
				-	-					
<b>TOTALS</b>	<b>4,976,428</b>	4,642,577	<b>5,974,690</b>	5,418,642	<b>(998,262)</b>	(776,065)	<b>804,905</b>	518,776	<b>62,272,388</b>	40,202,987

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 2015

### 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, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Parking Control and Other Regulatory Services, Sewerage/CWMS, Cemeteries, Public Conveniences, Library Services, Heritage, Museums, and Other Cultural Services..

#### **Protection of the Environment**

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Natural Resource Management Levy, and Other Environment.

#### **Sport & Recreation**

Jetties, 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 2015

### Note 13 - FINANCIAL INSTRUMENTS

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

#### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 2.00% and 3.10% (2014: 2.25% and 3.10%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges</b> (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 2.66% (2014: 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><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.65% and 8.07% (2014: 4.65% and 8.07%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> 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 2015

### Note 13 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	954,518			954,518	954,518
Receivables	151,691			151,691	151,691
<b>Total</b>	<b>1,106,209</b>	<b>-</b>	<b>-</b>	<b>1,106,209</b>	<b>1,106,209</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>915,492</b>	<b>887,675</b>	<b>552,936</b>	<b>2,356,103</b>	<b>2,005,407</b>

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	1,246,517			1,246,517	1,246,517
Receivables	180,773			180,773	180,773
<b>Total</b>	<b>1,427,290</b>	<b>-</b>	<b>-</b>	<b>1,427,290</b>	<b>1,427,290</b>
<b>Financial Liabilities</b>					
Payables	407,627			407,627	407,627
Current Borrowings	421,594			421,594	315,941
Non-Current Borrowings		1,297,967	554,936	1,852,903	1,497,481
<b>Total</b>	<b>829,221</b>	<b>1,297,967</b>	<b>554,936</b>	<b>2,682,124</b>	<b>2,221,049</b>

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate %	Carrying Value \$'000	Weighted Average Interest Rate %	Carrying Value \$'000
Overdraft				
Other Variable Rates				
Fixed Interest Rates	5.87	1,497,481	6.07	1,813,422
		<u>1,497,481</u>		<u>1,813,422</u>

#### 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.

# DISTRICT COUNCIL OF BARUNGA WEST

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

### **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 are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 14 - COMMITMENTS FOR EXPENDITURE

	<b>2015</b>	2014
	<u>Notes</u> <b>\$'000</b>	<b>\$'000</b>
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land		
Buildings	-	190,200
Roads & Footpaths	<b>250,000</b>	-
Plant & Equipment	-	-
	<b><u>250,000</u></b>	<b><u>190,200</u></b>
These expenditures are payable:		
Not later than one year	<b>250,000</b>	190,200
Later than one year and not later than 5 years	-	
Later than 5 years	-	
	<b><u>250,000</u></b>	<b><u>190,200</u></b>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 15 - FINANCIAL INDICATORS

2015                      2014                      2013

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

#### **Operating Surplus Ratio**

<u>Operating Surplus</u>	(27%)	(22%)	(8%)
Rates - general & other less NRM levy			

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

#### **Adjusted Operating Surplus Ratio**

	(27%)	(15%)	(8%)
--	-------	-------	------

*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>	25%	23%	22%
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>	55%	87%	83%
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 2015

### Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2015 \$	2014 \$
Income	4,976,428	4,642,577
<i>less</i> Expenses	<u>5,974,690</u>	<u>5,418,642</u>
<b>Operating Surplus / (Deficit)</b>	<b>(998,262)</b>	<b>(776,065)</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	493,646	774,166
Depreciation, Amortisation and Impairment	(1,608,492)	(1,560,329)
Proceeds from Sale of Replaced Assets	<u>(5,608)</u>	<u>(5,880)</u>
	<b>(1,120,454)</b>	<b>(792,043)</b>
 <i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	437,313	43,706
Amounts received specifically for New and Upgraded Assets	(110,200)	(24,800)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(18,800)
	<u>327,113</u>	<u>106</u>
 <b>Net Lending / (Borrowing) for Financial Year</b>	 <b><u>(204,920)</u></b>	 <b><u>15,872</u></b>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### 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:

	2015 \$'000	2014 \$'000
Not later than one year	110,423	110,172
Later than one year and not later than 5 years	169,534	260,805
Later than 5 years	19,726	19,152
	<u>299,683</u>	<u>390,129</u>

# DISTRICT COUNCIL OF BARUNGA WEST

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

### Note 18 – SUPERANNUATION

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

#### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

## **DISTRICT COUNCIL OF BARUNGA WEST**

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

#### **Note 18 – Superannuation**

##### Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the “choice of fund” legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

# **DISTRICT COUNCIL OF BARUNGA WEST**

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

### **Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE 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 \$122,209 (2014: \$154,633) 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 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 2015.

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

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

### **Auditor's Responsibility**

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

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

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

### **Independence**

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

### **Auditor's Opinion**

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

A handwritten signature in blue ink, appearing to read 'Ian G McDonald'.

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed this 12<sup>th</sup> day of November 2015 at Adelaide, South Australia

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Adelaide SA 5000

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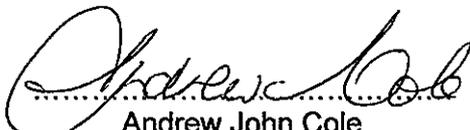
**DISTRICT COUNCIL OF BARUNGA WEST**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Barunga West for the year ended 30 June 2015, the Council's Auditor, Ian McDonald, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
Andrew John Cole  
**CHIEF EXECUTIVE OFFICER**

  
Patricia Flood  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date:



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

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of the District Council of Barunga West for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

**Ian G McDonald FCA**

Dated this 18<sup>th</sup> day of September 2015

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---

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# Appendix B

*Central Local Government  
Region Annual Report 2013/14*

Appendix B



CENTRAL LOCAL GOVERNMENT

REGION of SA Inc



Annual Financial  
Statements

For the financial year

July 1st 2014 – June 30th 2015

# Central Local Government Region of SA Inc

## General Purpose Financial Reports for the year ended 30 June 2015

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**Central Local Government Region of SA Inc**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2015**

**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 2015 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.

  
.....  
Paul McInerney  
Interim Chief Executive Officer

  
Mayor Raymond Agnew  
President

Date: 24/8/15

**Central Local Government Region of SA Inc**

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

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Grants, subsidies and contributions	2	<b>285,555</b>	852,300
Investment income	2	<b>18,419</b>	16,070
Other income	2	<b>193,714</b>	171,950
<b>Total Income</b>		<b><u>497,688</u></b>	<u>1,040,320</u>
<b>EXPENSES</b>			
Employee costs	3	-	93,259
Materials, contracts & other expenses	3	<b>796,701</b>	697,046
Depreciation, amortisation & impairment	3	<b>850</b>	5,101
<b>Total Expenses</b>		<b><u>797,551</u></b>	<u>795,406</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(299,863)</b>	244,914
Asset disposal & fair value adjustments	4	<b>(12,602)</b>	-
<b>NET SURPLUS / (DEFICIT)</b>		<b><u>(312,465)</u></b>	<u>244,914</u>
transferred to Equity Statement			
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(312,465)</u></b>	<u>244,914</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 2015**

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	541,825	749,243
Trade & other receivables	5	64,293	119,804
<b>Total Current Assets</b>		<u>606,118</u>	<u>869,047</u>
<b>Non-current Assets</b>			
Property, plant & equipment	7	-	28,907
<b>Total Non-current Assets</b>		<u>-</u>	<u>28,907</u>
<b>Total Assets</b>		<u>606,118</u>	<u>897,954</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	43,877	23,248
<b>Total Liabilities</b>		<u>43,877</u>	<u>23,248</u>
<b>NET ASSETS</b>		<u>562,241</u>	<u>874,706</u>
<b>EQUITY</b>			
Accumulated Surplus		68,145	25,212
Other Reserves	9	494,096	849,494
<b>TOTAL EQUITY</b>		<u>562,241</u>	<u>874,706</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 2015

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
<b>2015</b>	Notes	\$	\$	\$
Balance at end of previous reporting period		25,212	849,494	874,706
<b>Net Surplus / (Deficit) for Year</b>		(312,465)		(312,465)
<b>Other Comprehensive Income</b>				
Transfers between reserves		355,398	(355,398)	-
<b>Balance at end of period</b>		<b>68,145</b>	<b>494,096</b>	<b>562,241</b>
<b>2014</b>				
Balance at end of previous reporting period		3,486	626,306	629,792
<b>Net Surplus / (Deficit) for Year</b>		244,914		244,914
<b>Other Comprehensive Income</b>				
Transfers between reserves		(223,188)	223,188	-
<b>Balance at end of period</b>		<b>25,212</b>	<b>849,494</b>	<b>874,706</b>

# Central Local Government Region of SA Inc

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

		2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes	\$	\$
<u>Receipts</u>			
Investment receipts		19,089	16,474
Grants & Council Contributions		438,015	906,483
Other revenues		96,095	122,464
<u>Payments</u>			
Employee costs		-	(105,421)
Materials, contracts & other expenses		(776,072)	(791,909)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>(222,873)</b>	148,091
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Sale of surplus assets		15,455	-
<b>Net Cash provided by (or used in) Investing Activities</b>		15,455	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net Cash provided by (or used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		<b>(207,418)</b>	148,091
Cash & cash equivalents at beginning of period	11	<u>749,243</u>	<u>601,152</u>
Cash & cash equivalents at end of period	11	<u>541,825</u>	<u>749,243</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 2015

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 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 (9<sup>th</sup> 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 (\$).

#### 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. District Council of the Yorke Peninsula, 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 Infrastructure, 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**

As at 30<sup>th</sup> June 2015 the Region does not have any employees and hence there are no employee provisions at the reporting date.

#### **Superannuation**

The Region had no employees for the financial year ended 30<sup>th</sup> June 2015.

#### **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.)

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.

# Central Local Government Region of SA Inc

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

### Note 2 - INCOME

	Notes	2015 \$	2014 \$
<b>INVESTMENT INCOME</b>			
Local Government Finance Authority		18,312	15,961
Banks & other		107	109
		<u>18,419</u>	<u>16,070</u>
<b>OTHER INCOME</b>			
Council Contributions		152,460	148,159
Sundry		41,254	23,791
		<u>193,714</u>	<u>171,950</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions		285,555	852,300
		<u>285,555</u>	<u>852,300</u>
<b>Sources of grants</b>			
Commonwealth government		39,954	376,950
State government		235,601	56,000
Other (inc NRM)		10,000	419,350
		<u>285,555</u>	<u>852,300</u>

#### **Conditions over grants & contributions**

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

Unexpended at the close of the previous reporting period		516,994	285,876
Less: expended during the current period from revenues recognised in previous reporting periods			
P010-Windfarm Liaison		(27,593)	(20,010)
P008-Coastal Councils Project		-	(69,027)
P009-Climate Change		(95,703)	(8,918)
P014-Water Project		-	(21,439)
P003-Waste Management		(15,635)	-
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		(680)	-
Sub total		<u>(412,552)</u>	<u>(119,394)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
P003-Waste Management		-	18,434
A009-Special Projects		13,305	543
P024-Climate Change Co-ordinator 2015-17		25,000	-
P022-Roads & Transport		-	5,927
P023-Outreach Collaboration Project		256	52,667
P016-Upper Spencer Gulf RSP		-	182,941
P018-Policy Amendment Review		-	30,000
P019-Coastal Adaptation		-	30,000
P020-Risk Assessment		-	30,000
Sub total		<u>38,561</u>	<u>350,512</u>
Unexpended at the close of this reporting period		<u>143,003</u>	<u>516,994</u>
Net increase (decrease) in assets subject to conditions in the current reporting period		<u>(373,991)</u>	<u>231,118</u>

**Central Local Government Region of SA Inc**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 3 - EXPENSES**

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		-	73,877
Employee leave expense		-	7,163
Superannuation - defined contribution plan contributions		-	6,251
FBT		-	5,968
<b>Total Operating Employee Costs</b>		-	93,259
<b>Total Number of Employees</b>		-	-
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		1,650	1,650
Other Audit/Accounting Fees		-	486
<b>Subtotal - Prescribed Expenses</b>		1,650	2,136
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors & Consultants		732,691	552,016
Energy & Fuel		9	4,383
Grants		25,000	79,000
Members Allowances & Support		4,176	4,058
Meetings & Conferences		5,064	22,216
Insurance		5,701	8,687
Sundry		22,410	24,550
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		795,051	694,910
		796,701	697,046
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Motor Vehicle		850	5,101
		850	5,101

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

**PROPERTY, PLANT & EQUIPMENT**

*Assets surplus to requirements*

Proceeds from disposal	15,455	-
Less: Carrying amount of assets sold	28,057	-
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	(12,602)	-

**Note 5 - CURRENT ASSETS**

**CASH & EQUIVALENT ASSETS**

Cash on Hand and at Bank	20,979	129,379
Deposits at Call	520,846	619,864
	541,825	749,243

**TRADE & OTHER RECEIVABLES**

Accrued Revenues	2,873	3,543
Debtors - general	40,235	90,000
GST Recoupment	21,185	26,261
	64,293	119,804

# Central Local Government Region of SA Inc

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

Fair Value Level	2014 \$				2015 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
<b>Note 7 - INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>								
Motor Vehicle	-	35,915	(7,008)	28,907	-	-	-	-
Software	-	772	(772)	-	-	772	(772)	-
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	-	36,687	(7,780)	28,907	-	772	(772)	-
<i>Comparatives</i>	-	<b>36,687</b>	<b>(2,679)</b>	<b>34,008</b>	-	<b>36,687</b>	<b>(7,780)</b>	<b>28,907</b>

2014 \$ CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR \$										2015 \$ CARRYING AMOUNT
	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation			
	New/Upgrade	Renewals				In	Out				
28,907	-	-	(28,057)	(850)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<b>28,907</b>	-	-	<b>(28,057)</b>	<b>(850)</b>	-	-	-	-	-	-	-
<i>Comparatives</i>	-	-	-	<b>(5,101)</b>	-	-	-	-	-	-	<b>28,907</b>

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

## Central Local Government Region of SA Inc

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

#### Note 8 - LIABILITIES

	Notes	2015		2014	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		2,420	-	8,615	-
Accrued expenses - Contractors		41,457	-	14,633	-
		43,877	-	23,248	-

#### Note 9 - RESERVES

OTHER RESERVES	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
General Reserve	12,500	18,593	-	31,093
1 P003-Waste Management	31,908	-	(15,635)	16,273
2 A009-Special Projects	4,036	13,305	-	17,341
3 P009-Climate Change	100,464	-	(95,703)	4,761
4 P024-Climate Change Co-Ordinator 2015-17	-	25,000	-	25,000
5 P010-Wind Farm Liaison	27,593	-	(27,593)	0
6 P015-Local Government Reform	320,000	-	-	320,000
7 P016-Upper Spencer Gulf RSP	182,941	-	(182,941)	0
8 P018-Policy Alignment Review	30,000	-	(30,000)	0
9 P019-Coastal Adaptation	30,000	-	(30,000)	0
10 P020-Risk Assessment	30,000	-	(30,000)	0
11 P022-Roads & Transport	27,385	-	(680)	26,705
12 P023-Outreach Collaboration Project	52,667	256	-	52,923
<b>TOTAL OTHER RESERVES</b>	849,494	57,154	(412,552)	494,096
<i>Comparatives</i>	626,306	350,512	(127,324)	849,494

#### PURPOSES OF RESERVES

##### (Other Reserves)

- 1 **P003-Waste Management**  
*State Government funded technical support programme - completion 2015/16*
- 2 **A007-Special Projects**  
*LGA funded support programme - expiry 2014/15*
- 3 **P009-Climate Change**  
*Regional Partners and State Government funded programme - Project managed by Yorke and Mid North Alliance and includes engagement of technical support and seed distribution - completion 2014-15*
- 4 **P023-Climate Change Co-ordinator 2015-17**  
*Regional Partners and State Government funded programme - Project managed by Yorke and Mid North Alliance and includes engagement of technical support and seed distribution - completion 2013/14*
- 5 **P010-Wind Farm Liaison**  
*LGA funded programme - windfarm planning guide - completion 2014/15*
- 6 **P015-Local Government Reform**  
*CLGR funded programme - Council Shared Services*
- 7 **P016-Upper Spencer Gulf Regional Sustainability Project**  
*State Government funded technical support programme - completion 2014/15*
- 8 **P018-Policy Amendment Review**  
*NRM funded project - completion 2014/15*
- 9 **P019-Coastal Adaptation**  
*NRM funded project - completion 2014/15*
- 10 **P020-Risk Assessment**  
*NRM funded project - completion 2014/15*
- 11 **P022-Roads & Transport**  
*CLGR funded programme - Regional Development Australia Freight Strategy*
- 12 **P023-Outreach Collaboration Project**  
*Federal Government funded programme - completion 2015/16*

# Central Local Government Region of SA Inc

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

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	<u>541,825</u>	<u>749,243</u>
Balances per Cash Flow Statement		<u>541,825</u>	<u>749,243</u>

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

Net Surplus (Deficit)	<b>(312,465)</b>	244,914
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	850	5,101
Net increase (decrease) in unpaid employee benefits	-	<b>(12,162)</b>
Net (Gain) Loss on Disposals	<u>12,602</u>	-
	<b>(299,013)</b>	<u>237,853</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	55,511	<b>(64,555)</b>
Net increase (decrease) in trade & other payables	<u>20,629</u>	<b>(25,207)</b>
<b>Net Cash provided by (or used in) operations</b>	<b>(222,873)</b>	<u>148,091</u>

**(c) Non-Cash Financing and Investing Activities**

	-	-
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**(d) Financing Arrangements**

Unrestricted access was available at balance date to the following lines 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	14 P020-Risk Assessment
2 P003-Waste Management	15 P022-Roads & Transport
3 P008-Coastal Councils	16 P023-Outreach Collaboration Project
4 P009-Climate Change	
5 P024-Climate Change Co-ordinator 2015-17	
6 P010-Wind Farm Liaison	
7 P011-Regional Broadband	
8 P013-Environment & Roadside Vegetation	
9 P014-Regional Water Supply	
10 P015-Local Government Reform	
11 P016-Upper Spencer Gulf RSP	
12 P018-Policy Alignment Review	
13 P019-Coastal Adaptation	

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 2015**

**Note 13 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned. Short term deposits are available on 24 hour call with the LGFA and has an interest rate of 2% as at 30 June 2015. <b>Carrying amount:</b> approximates fair value due to the short term to maturity.
<b>Receivables - Trade and Other Debtors</b>	<b>Accounting Policy:</b> Carried at nominal value. <b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. <b>Carrying amount:</b> approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region. <b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms. <b>Carrying amount:</b> approximates fair value.

**Liquidity Analysis**

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	541,825	-	-	541,825	541,825
Receivables	64,293	-	-	64,293	64,293
<b>Total</b>	<b>606,118</b>	<b>-</b>	<b>-</b>	<b>606,118</b>	<b>606,118</b>
<b>Financial Liabilities</b>					
Payables	2,420	-	-	2,420	2,420
<b>Total</b>	<b>2,420</b>	<b>-</b>	<b>-</b>	<b>2,420</b>	<b>2,420</b>
<b>2014</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	749,243	-	-	749,243	749,243
Receivables	119,804	-	-	119,804	119,804
<b>Total</b>	<b>869,047</b>	<b>-</b>	<b>-</b>	<b>869,047</b>	<b>869,047</b>
<b>Financial Liabilities</b>					
Payables	8,615	-	-	8,615	8,615
<b>Total</b>	<b>8,615</b>	<b>-</b>	<b>-</b>	<b>8,615</b>	<b>8,615</b>

**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 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 the Region's investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 5 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 2015

### Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2015 \$	2014 \$
Income	497,688	1,040,320
<i>less</i> Expenses	<u>797,551</u>	<u>795,406</u>
<b>Operating Surplus / (Deficit)</b>	<b>(299,863)</b>	244,914
<i>less</i> <b>Net Outlays on Existing Assets</b>		
Depreciation, Amortisation and Impairment	<u>(850)</u>	<u>(5,101)</u>
	<b>(850)</b>	<b>(5,101)</b>
<i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Proceeds from Sale of Surplus Assets	<u>(15,455)</u>	<u>-</u>
	<b>(15,455)</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>(283,558)</u></b>	<b><u>250,015</u></b>

# Central Local Government Region of SA Inc

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

### 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 2015**  
**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 2015, 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*.



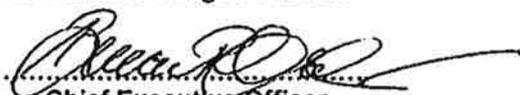
.....  
**Chief Executive Officer**  
**The Barossa Council**



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



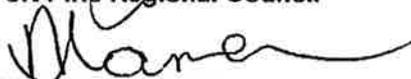
.....  
**Chief Executive Officer**  
**The Flinders Ranges Council**



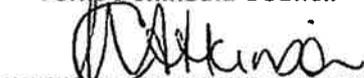
.....  
**Chief Executive Officer**  
**Light Regional Council**

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

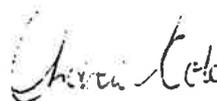
.....  
**Chief Executive Officer**  
**Port Pirie Regional Council**



.....  
**Chief Executive Officer**  
**Yorke Peninsula Council**



.....  
**Chief Executive Officer**  
**Wakefield Regional Council**



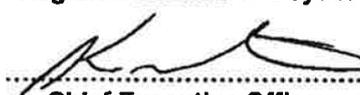
.....  
**Chief Executive Officer**  
**District Council of Barunga West**



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



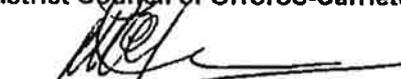
.....  
**Chief Executive Officer**  
**Regional Council of Goyder**



.....  
**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**

**CENTRAL LOCAL GOVERNMENT REGION OF SA INC**

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

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Central Local Government Region of SA for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Ian G McDonald FCA**

Dated this 20 day of July 2015

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CENTRAL LOCAL GOVERNMENT  
REGION OF SA INC**

I have audited the accompanying financial report of the Central Local Government Region of SA Inc which comprises the balance sheet as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2015.

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

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

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

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

**Auditor's Opinion**

In my 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 2015, 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 black ink, appearing to read 'Ian McDonald'.

**IAN G MC DONALD FCA  
CHARTERED ACCOUNTANT  
REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 5 day of October 2015, at Adelaide, South Australia

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](mailto:barunga@barungawest.sa.gov.au)