

# *Lifestyle for the future*



Photo supplied by Leslie Little

## **Barunga West Council Annual Report 2017/18**

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# Message from the Mayor and the CEO

The 2017/18 Annual Report for Barunga West Council is an overview of the activities and project undertaken by Council over the past twelve months. Local Government is still considered to be the level of government closest to the people (local community). As you will have noticed from the front page, the Council name has been amended slightly during 2017/18, to now be 'Barunga West Council', with the change formalized with minimum fuss and cost. This Annual Report is presented for you for your information and consideration.

A major area of service provided to the local community is that of patrol grading of Council's unsealed road network. A decision by Council for the 2017/18 year was to bring the patrol grading operations in-house, a function that was previously contracted out to external service providers for many years. The explicit goal was to maintain the same number of patrol grading hours, combined with a change in priority in working higher category of roads followed by lower category roads, and providing Council with a more financially sustainable service into the future. During the year, issues were raised with the grading of some lower category roads, with joint discussions held between property-owners and Council. A result of this shared process was to look at creating a new category of unsealed road (category 6) to better clarify those lower category unsealed roads that receive patrol grading attention. The general feedback has been that this new process is working well, recognizing that the process is new in 2017/18 and that any issues arising will be attended to.

Town Boundaries have now been reviewed, as a consequence of an update to EPA air quality regulations. This process included a period of public consultation, where the initial proposed boundaries were scaled back in some areas, taking into account local community feedback. These boundaries have now been established with the Surveyor-General and will influence issues such as burning permits and block clearing prior to the fire danger season.

The Fisherman Bay freeholding project has finally received planning approval during the year, with the State Commission Assessment Panel giving its planning approval in October 2017. This approval has provided a catalyst for the detailed design work to commence regarding critical issues such as stormwater management, wastewater management, seawall/levee bank and road infrastructure. Council is working closely with the developers and the local Fisherman Bay community to see a successful process concluded that will provide a more environmentally sustainable township area into the future.

In March 2018, the South Australian State Election provided a spotlight on Councils and the issue of Council rates and whether rate capping would be introduced. Council maintains a conservative long term financial plan that seeks to keep council rate rises to as small as possible. These rates rises are reviewed each year by Council during the annual business plan and budget process conducted during the February to June period. Residents and ratepayers are encouraged to provide feedback to Council during this budget setting process. This process of providing Council budgets to the community prior to adoption is unique with Australia's system of government, one not replicated at State or Federal level.

The introduction of the new dog and cat management system has now commenced, where dog and cat registrations, previously managed and recorded by Council, are now maintained on a statewide dog and cat online database (a web-based system called DACO), on-behalf of all South Australian Councils. A part of the implementation of this new legislation was the introduction of lifetime registration (meaning the elimination of new coloured registration tags every year) and the requirement for dogs and cats to be desexed and microchipped. Council supported a very successful 'ChipBlitz Day', which was held to encourage dog and cat owners to microchip their beloved pets.

Other issues that have arisen during the 2017/18 year have included issues around heavy vehicle access to Council's road network by the ever-increasing size and capacity of agricultural transport. Interaction with the National Heavy Vehicle Regulator (NHVR) is a service obligation Council is required to support in the regulation of road transport access across Council's network.

Changes to the management of Community Libraries have been implemented across South Australia, including the Port Broughton Area School Community Library. The Community Library is now jointly managed by the Port Broughton Area School and the Council, with quarterly meetings scheduled during school term times.

Projects completed during the year have included the completion of the Port Broughton Coastal Hazard adaption Plan, the Central Region 'Inundation Mapping' Project covering Port Broughton and Fisherman Bay, as well as a flood study of Port Broughton as a result of the two storm events experienced in 2016.

The sealing of the Port Broughton Combined Sports Club has also been completed, with some minor line marking to follow in the new year. Footpath upgrades were completed in Bay Street and Edmund Street, Port Broughton, as well as at the Soldiers Memorial Hall at Bute. Work was also completed to replace the roof at the Men's Shed at Bute.

Our team of Elected Members and staff continue to work towards a positive contribution through such projects and issues as detailed above and to provide a valued and valuable service to our local community.

Cynthia Axford  
**Mayor**



Andrew Cole  
**Chief Executive Officer**



# Council Profile

## Council Offices and Contact Details

Head Office:

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

Sub Office:

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

Email: [barunga@barungawest.sa.gov.au](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

2,453 (Australian Bureau of Statistics Estimated Resident Population, Local Government Areas, South Australia, 2016)

## Road Length

Sealed Roads	72.32 Kilometres
Unsealed Roads	858.45 Kilometres

## Assessed Value

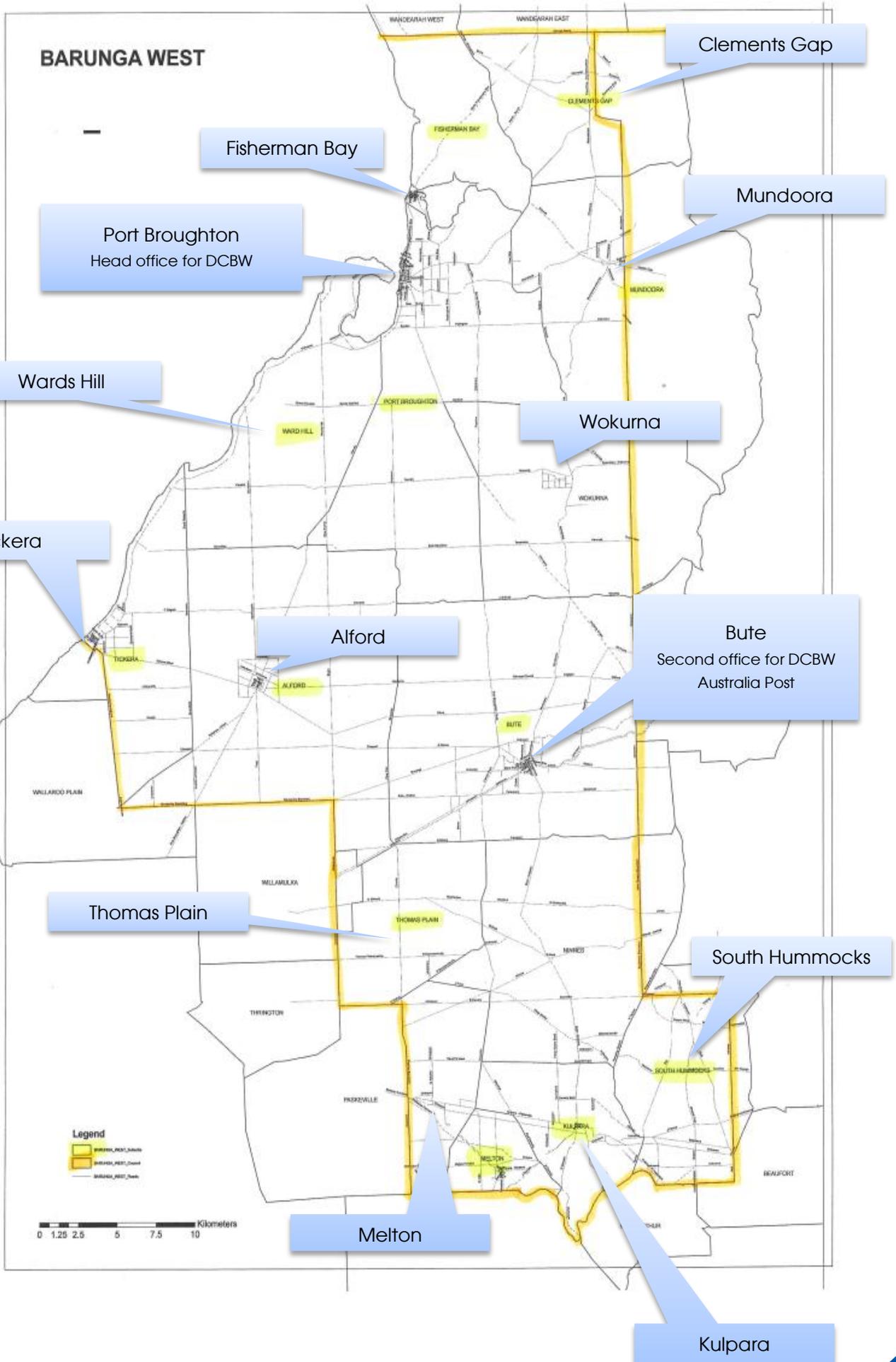
The assessed capital value of properties as at 30 June 2018 is \$1,240,047,120.

## Electorates

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

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

Narungga – Local Member, Mr Steven Griffiths MP (until 2018 Election), now Mr Fraser Ellis MP



# Strategic Management

## Strategic Plan

### Review of Strategic plan

Council last reviewed its Strategic Management Plan during 2016.

### Vision

“To be recognised as a welcoming, supportive, growing community with a sustainable lifestyle and environment.”

### Mission Statement

Facilitate community engagement and collaboration to effectively deliver the community's needs in a sustainable manner

### Our Goals

#### 1. Find The Funds And Spend Them Wisely

Council has been established at the local level to act as an informed, responsible and representative decision-maker, in the interests of the local community. Proactive and prudent financial management is essential.

#### 2. Show The World Who We Are

Council has a great story to tell and should not be afraid to let the world know who we are. We can act local and talk global.

#### 3. Make Tourism Happen

Tourism is integral to the economic and social wellbeing of the local community. Attracting overnight visitors will build economic sustainability.

#### 4. Create a Culture Worth Having

Creating a culture of excellence in all that Council does will ensure the successful delivery of outcomes for the local community and enable adjustments to be made along the journey.

#### 5. Collaborate In Development

Provide the collaborative support and planning guidance required to see future plans and visions brought into existence.

## Core Values

**TRUST** – Honesty; Being non-judgemental; Trusting ourselves; Confidentiality; Confidence in sharing information;

**PRIDE IN WHAT WE HAVE TO OFFER** – Be proud of Barunga West as a great place to work, live and play;

**RESPECT** - Foster mutual respect between the Community, Elected Members and Staff;

**COMMUNICATION** – Positive Interaction; Listening; Not being Distracted; Communicate effectively with the Community;

**SUPPORT** – Promote, achieve and support Change.



## Strategic Management Plan Outcomes

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

1. **Find The Funds And Spend Them Wisely** - Council has been established at the local level to act as an informed, responsible and representative decision-maker, in the interests of the local community. Proactive and prudent financial management is essential.

### Strategic Objectives:

- 1.1 Win grants
- 1.2 Find alternative revenue sources
- 1.3 Grow ratepayer base
- 1.4 Adopt sophisticated strategic plans, such as asset management and financial plans

2. **Show The World Who We Are** – Council has a great story to tell and should not be afraid to let the world know who we are. We can act local and talk global.

### Strategic Objectives:

- 2.1 Develop a powerful identity
- 2.2 Be known for our location

3. **Make Tourism Happen** – Tourism is integral to the economic and social wellbeing of the local community. Attracting overnight visitors will build economic sustainability.

### Strategic Objectives:

- 3.1 Develop the interconnections across our whole footprint
- 3.2 Create a vibrant foreshore
- 3.3 Use the sea for every sort of water sport and marine activity
- 3.4 Invest in other tourism-based facilities

4. **Create a Culture Worth Having** – Creating a culture of excellence in all that Council does will ensure the successful delivery of outcomes for the local community and enable adjustments to be made along the journey

**Strategic Objectives:**

- 4.1 Build a great team
- 4.2 Embed the culture we want
- 4.3 Have fun
- 4.4 Create a work environment that is friendly, productive and rewards team players

5. **Collaborate In Development** – Provide the collaborative support and planning guidance required to see future plans and visions brought into existence.

**Strategic Objectives:**

- 5.1 Facilitate and Support Development Activity
- 5.2 Strive to develop centres of excellence for farming and estuarine management

## Annual Business Plan Objectives 2017-18

Projects for 2017/18 include	Strategic Objectives	Status
Review of Council's Strategic Management Plan and finalize Infrastructure Asset Management Plans.	1.4 Adopt sophisticated strategic plans.	Completed
Elected Member Training - Ongoing	4.1 Build a great team.	Completed
Upgrade of Council IT System, replace and upgrade individual 'thin Clients'	4.1 Provide a safe workplace for all employees;	Completed
Upgrade of phone system to incorporate depot and Bute office with Port Broughton office	4.4 Create a work environment that is friendly, productive and rewards team players;.	Deferred due to ongoing NBN issues
Install air conditioning in Port Broughton Hall Supper Room	3.3 Encourage the provision of hire facilities for recreational use on the foreshore	Completed
Continuation, refinement & improvement in the process of the Mosquito Control program.	4.2 Embed the culture we want.	Completed, ongoing annually
Continuation of the Fisherman Bay Freeholding Seawall & Land Division applications	5.1. Facilitate and Support Development Activity	Completed, ongoing annually
Review of Township Boundaries	5.1. Facilitate and Support Development Activity	Completed
Appointment of a Building Consultant to review all building components scheduled for replacement per the 2014 revaluation	4.2 Accurate preparation of all plans	Deferred to 2018/19
Review of Council ITC systems	4.2 Seek to continuously improve Council's internal controls and procedures	Completed
Completion, refinement & audit review of Council's Internal Controls & Policies	4.2 Seek to continuously improve Council's internal controls and procedures	Completed, ongoing annually
Continued support of the Community Grant Funding Program	2.2 Create partnerships that will enable our attractions to better service the needs of tourists	Completed
Install new Signage at District & Town entrances	2.2 Constantly seek to improve town entrances and facilities	Deferred to 2018/19 as result of Council name change
Staged upgrade of Bute Post Office boxes	4.2 Seek to continuously improve Council's internal controls and procedures	Completed
Public Art/Sculpture on Port Broughton Foreshore	3.4 Invest in other tourism-based facilities	Deferred to 2018/19
Council Capital Fund	2.2 Create partnerships that will enable our attractions to better service the needs of tourists	Completed
New Grader & Combination Roller	4.9 Ensure that appropriate and cost-effective plant and equipment is available to carry out council operations, whether owned, leased or hired.	Completed
New Vehicle - Grader Operators	1 Find the Funds and Spend them Wisely	Completed
Replacement vehicles, Risk Management Officer	1 Find the Funds and Spend them Wisely	Completed

Bayside Caravan Park improvements	3.1 Promote tourism and the natural environment in Barunga West	Completed
Footpath Pavement – Central Deli Corner	1 Find the Funds and Spend them Wisely	Completed
CWMS Upgrades – Port Broughton & Bute	1 Find the Funds and Spend them Wisely	Completed
Replace Bute Men’s Shed Roof	1 Find the Funds and Spend them Wisely	Completed
Arbon Road Bute upgrade of surface	1 Find the Funds and Spend them Wisely	Deferred to 2018/19
Plant – Footpath Roller	1 Find the Funds and Spend them Wisely	Completed
Plant – Elevated Work Platform	1 Find the Funds and Spend them Wisely	Completed
Re-pave the corner at the front of the Bute Town Hall	1 Find the Funds and Spend them Wisely	Completed
<b>Unsealed Roads (In priority order)</b>		
Wards Hill Road, Section 5, 1,573m	1.4 As per Roads IAMP Plan Methodology	Completed
Sluggetts Road, Section 35, 2,785m	1.4 As per Roads IAMP Plan Methodology	Completed
Pine Forest Road, Section 10, 977m	1.4 As per Roads IAMP Plan Methodology	Completed
Commons Road, Section 5, 1,100m	1.4 As per Roads IAMP Plan Methodology	Completed
Collee Road, Section 10, 1,141m	1.4 As per Roads IAMP Plan Methodology	Completed
McIntosh Road, Section 5, 1,676m	1.4 As per Roads IAMP Plan Methodology	Completed
Broughton Terrace, Section 10, 150m	1.4 As per Roads IAMP Plan Methodology	Completed
Church Road, Section 5, 2,000m	1.4 As per Roads IAMP Plan Methodology	Completed
Church Road, Section 10, 943m	1.4 As per Roads IAMP Plan Methodology	Completed
Sluggetts Road, Section 30, 1,300m	1.4 As per Roads IAMP Plan Methodology	Completed
Coast Road, Section 15, 1,100m	1.4 As per Roads IAMP Plan Methodology	Completed
Mail Road Seal	Not budgeted, funded by grant during 2017/18	Completed

## The Elected Body

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

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

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

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

## Comparison Elector Representation Quota

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

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

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

## Representation Review

Barunga West Council has completed its most recent electoral representation review in June 2017. The revised representation arrangements are as follows:

- The Principal Member of Council continues to be titled Mayor, elected by the Council.
- The Council area not be divided into wards (the existing 'no wards' structure retained).
- The Elected Council will comprise the Mayor and eight Area Councillors who represent the Council area as a whole.

This final recommendation was endorsed by Council on the 9<sup>th</sup> of May 2017 and was submitted to the Electoral Commission of South Australia for approval (subsequently, final approval published in the August 15<sup>th</sup> 2017 edition of the SA Government Gazette).

## Councillors and Committees



## Meeting attendance record

Elected Member	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Executive Committee Meetings
Mayor Cynthia Axford	12 of 12	5 of 5	3 of 4	1 of 1
Deputy Mayor Dean Dolling	12 of 12	3 of 5	3 of 4	0 of 1
Cr James Bettess	12 of 12	4 of 5		
Cr Leonie Kerley	11 of 12*	5 of 5		1 of 1
Cr Michelaine Barker	11 of 12	5 of 5		
Cr Gregory Winen	11 of 12	3 of 5	3 of 4*	
Cr Malcolm McDonald	10 of 12*	3 of 5*		
Cr Margaret McDonald	12 of 12	5 of 5	3 of 4	1 of 1
Cr Georgie Simmons	11 of 12	5 of 5		

\* Leave of Absence

### 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 (up until 2016)

Mr John Brak (from 2017)

### Independent Members:

Mr Steven Horsell

Ms Kelly Rosenberg (up until 2016)

Mr Dean Rodda

Mr Mark Weedon (from 2017)

### Council Representative:

Councillor James Bettess

## External Committee Representation

Mayor Cynthia Axford

Central Local Government Region

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

Deputy Mayor Dean Dolling

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

Barunga West Building Fire Safety Committee (internal)

Councillor Margaret McDonald

Port Broughton Area School Governing Council

Port Broughton District Hospital and Health Services Health Advisory Committee

Councillor Georgie Simmons

Yorke Peninsula Community Transport & Services (formerly HACC)

Bute 2000 Onward Committee

Barunga Village Board

Councillor Michelaine Barker

Barunga West Road Safety Group

Councillor Leonie Kerley

Port Broughton Progress Association

## 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 2018, the following allowances were paid:

\*Note changes to allowance rates approved by Remuneration Tribunal November 2017.

Elected Member	Allowance August- October 2017	Allowance Nov 2017 to July 2018	Total allowance 2017/18
Mayor	\$5,835	\$17,829	\$23,664
Deputy Mayor	\$1,823	\$5,571	\$7,394
Elected Members	\$1,459	\$4,457	\$5,916

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 2018, direct travelling allowances of \$4,52.41 were paid.

## Committee Allowances

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

Independent Council Development Assessment Panel Chairperson - \$150 per meeting, plus travel allowance. For this reporting period there were NIL meetings attended.

Independent Council Development Assessment Panel Members - \$100 per meeting, plus travel allowance. For this reporting period there were NIL Development Assessment Panel meetings.

## Elected Member Training

In accordance with Section 80A of the Local Government Act 1999, Council conducted a review of its Council Member's Training and Development Policy on 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 development activities were undertaken in the 2017/2018 financial year:

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

For the reporting period concluding 30<sup>th</sup> June 2018, there was no paid external Elected Member training.



Photograph supplied by David Wright

# Information Statement

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

## Structure and Function of Council

### Full Council

Full Council consists of nine members with one being the Mayor (as appointed by the elected members, and not at large), and is the decision making body on all policy matters. 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

Council has no subsidiaries.



## Services to the community

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

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

## Public participation

### Council Meetings

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

These are:

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

### Public Consultation

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

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

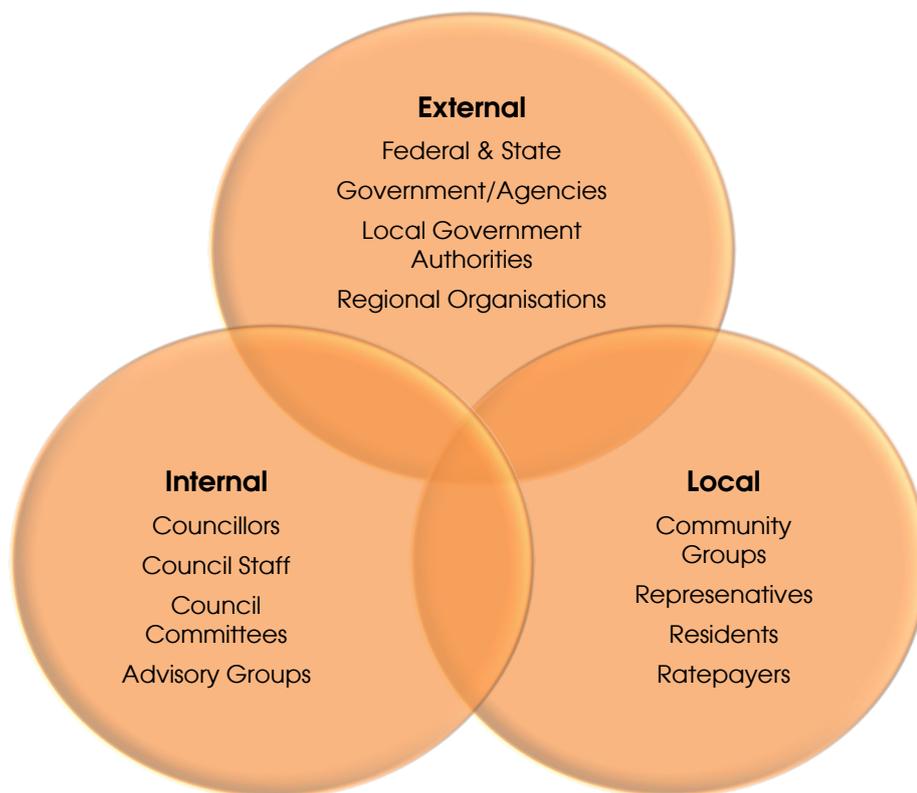
- Identify potential stakeholders in each specific circumstance
- Ensure information is easily understood and accessible to identified stakeholders, and include contact details for obtaining further information in all communications
- A range of appropriate opportunities will be provided for people to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

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

## The decision making process

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

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



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



## Access to Council documents

### Documents available for inspection

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

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

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

### **Other information requests**

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

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

During the 2016/17 year, the Council received one (1) request for information under the Freedom of Information Act.

### **Amendment of Council records**

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

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

### **Council designated officer**

All enquiries concerning the lodgement procedures for Freedom of Information requests, the procedure for inspecting or purchasing the identified Barunga West Council 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  
Barunga West Council  
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 2017/2018 there were no applications for a review of Council's decisions.

## **Local Nuisance and Litter Control Act 2017**

During 2017/18 Council has received no complaints of local nuisance or littering under the Act.

## **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) eleven (11) times during the year, during nine (9) separate meetings.

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

- 90 (3)(a) Disclosure of personal affairs – Six (6) times
- 90 (3)(b) Disclosure of commercial information – Seven (7) 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) eleven (11) times during the past twelve months. No orders were expired, revoked or ceased to apply during 2017/2018. As at the end of 2017/18 financial year there are 38 orders which remain operative as per the table below.

Meeting Date	Issue	Comment	Relevant Section
7 <sup>th</sup> May 2013	Legal Proceedings		90(3) i
4 <sup>th</sup> June 2013	Legal Proceedings		90(3)i
9 <sup>th</sup> July 2013	Legal Proceedings		90(3)i
13 <sup>th</sup> May 2014	Review of Confidential Items		90(3)a
8 <sup>th</sup> July 2014	Recreational Land Use	Broughton Bayside Caravan Park	90(3)a
10 <sup>th</sup> March 2015	Recreational Land Use	Broughton Bayside Caravan Park	90 (3) (a)
9 <sup>th</sup> June 2015	Recreational Land Use	Broughton Bayside CP	90(2) and (3)(b)
14 <sup>th</sup> July 2015	Review of Confidential Register		90(2) and (3)(a)
14 <sup>th</sup> July 2015	Recreational Land Use	Broughton Bayside CP	90(2) and (3)(a)
11 <sup>th</sup> August 2015	Recreational Land Use	Broughton Bayside CP	90(2) and (3)(a)and (b)
11 <sup>th</sup> August 2015	Recreational Land Use	Broughton Bayside Caravan Park	90(2) and (3)(a)and (b)
8 <sup>th</sup> September 2015	Recreational Land Use	Broughton Bayside CP	90(2) and 90(3)(a)and (b)
13 <sup>th</sup> October 2015	Recreational Land Use	Broughton Bayside CP	90(2) and 90(3)(a)and (b)
13 <sup>th</sup> October 2015	Ombudsman SA Report		90(2) and 90(3)(a)
10 <sup>th</sup> November 2015	Recreational Land Use	Broughton Bayside CP	90(2) and 90(3)(a)and (b)
9 <sup>th</sup> August 2016	Rubble Raising Tender		90(2) and 90(3)(d)
11 <sup>th</sup> October 2016	Community Grants 2016/17		90(2) and 90(3)(a) and (b)
11 <sup>th</sup> October 2016	LGFA Election of Representative Members of the Board of Trustees		90(2) and 90(3)(a)
13 <sup>th</sup> December 2016	Fisherman Bay Land Division- Legal Requirements		90(2) and (90(3)(h)

13 <sup>th</sup> December 2016	Australia Day Awards 2017		90(2) and 90(3)(a)
17 <sup>th</sup> January 2017	Appointment of Council's Auditors	Galpins appointed from July 1 2017-June 30 2021	90(2) and 90(3)(k)
11 <sup>th</sup> April 2017	CEO Performance Appraisal 2017 & future contract		90(2) and 90(3)(a)
6 <sup>th</sup> June 2017	Port Broughton CP Lease Review		90(2) and 90(3)(b)
6 <sup>th</sup> June 2017	New Truck Tender		90(2) and 90(3)(d)
6 <sup>th</sup> June 2017	New Grader Tender		90(2) and 90(3)(d)
6 <sup>th</sup> June 2017	Fisherman Bay Land Division Project	Discussion around correspondence received from Developer FBM P/L	90(2) and 90(3)(h)
11 <sup>th</sup> July 2017	Port Broughton CP Lease Market Review		90(2) and 90(3)(b)
8 <sup>th</sup> August 2017	Fisherman Bay Land Division Project		90(2) and 90(3)(b)
8 <sup>th</sup> August 2017	Port Broughton Waste Transfer Station Site	Discussion around WTS Operator options	90(2) and 90(3)(b)
8 <sup>th</sup> August 2017	Purchase of Unmade Road Reserves		90(2) and 90(3)(b)
12 <sup>th</sup> September 2017	Community Grants Program 2017-18		90(2) and 90(3)(a)(b)
14 <sup>th</sup> November 2017	Contract Review – Chief Executive Officer		90(2) and 90(3)(a)
12 <sup>th</sup> December 2017	Australia Day Awards 2018		90(2) and 90(3)(a)
13 <sup>th</sup> February 2018	Port Broughton CP Lease Arrangements		90(2) and 90(3)(b)
13 <sup>th</sup> March 2018	Audit Committee Independent Member		90(2) and 90(3)(a)
13 <sup>th</sup> March 2018	CEO Annual Performance Review 2018		90(2) and 90(3)(a)
10 <sup>th</sup> April 2018	Port Broughton CP Lease Arrangements	Commence a period of public consultation over variation of lease.	90(2) and 90(3)(b)
5 <sup>th</sup> May 2018	Port Broughton CP Lease Arrangements	Draft Deed of Variation of current lease	90(2) and 90(3)(a)

## Application of Competition Principles

Barunga West Council 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.

Barunga West Council 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.

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

The two Rural Transaction centres operate the following services:

### Port Broughton

Human Services (including Medicare and Child Support)  
Services SA

### Bute

Australia Post

## National Competition Policy

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

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

## Competitive Tendering & Service Reviews

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

# Human Resources

## Human Resource Management Initiatives

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

The 'One Team' initiative continues to be a focus across the Council. 'One Team' has been a successful tool which is used in many meetings to align teams and remind everyone of the overall vision we all strive to achieve.



The Leadership team continue to meet on a fortnightly basis.

These meetings are action orientated and focus on the Leaders responsibilities and customer service tasks to both internal staff

and the wider community. These meetings are led by the CEO, Andrew Cole, and have proven to be a very valuable initiative to drive results.

The Council continues to place an importance on the review and implementation of policies and procedures across the organisation. These policies and procedures provide all staff with clear direction in day to day operations.

## Employee Statistics



**Statistics as of 30 June 2018**

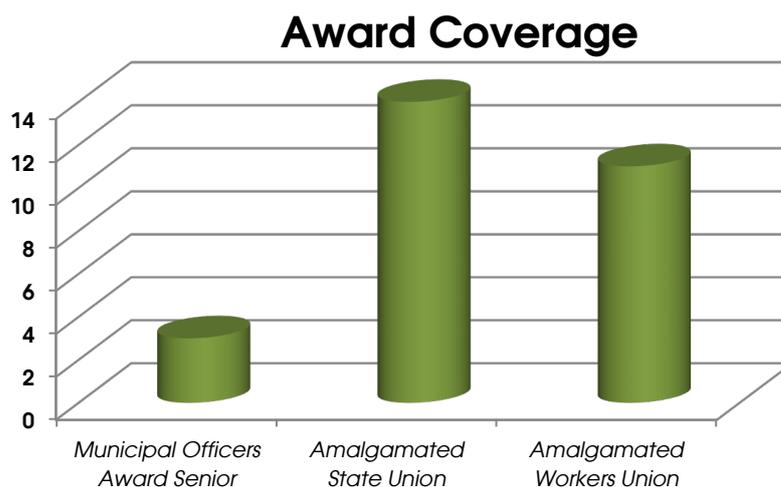
Status of Employment		
Permanent	22	79%
Part time	4	14%
Casual	2	7%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

Breakdown of Services		
Corporate Services	16	57%
Infrastructure Services	12	43%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

Gender		
Female	11	39%
Male	17	61%
<b>TOTAL STAFF</b>	<b>28</b>	<b>100%</b>

Administration employees are employed under an Enterprise Agreement which covers a three year period from January 1 2017 to December 31 2019.

The Works employees are covered by an Enterprise Agreement which was negotiated with the Australian Workers Union. The Agreement is current from December 13 2017 to 31 March 2021.



## Staff Updates

There have been some very **positive** changes within the team at Council.

- A new position was created to bring in house the 'Waste Transfer Operator'. This role was combined with additional duties required within the Parks and Gardens area to create a full time position. This position was filled by Anthony Kinghan who commenced with the Council in December 2017.
- A long standing employee, Steven Daniel, was promoted to a Team Leader role to oversee the Parks and Gardens team. He has taken to the role with great enthusiasm and professionalism.
- Two new 'Patrol Grader' roles were created to support the Elected Members decision to bring the Contract Grading in house. Shane Dyson and Robert Edwards were appointed to these roles. These roles operate over 3 x 12 hour shifts per week.

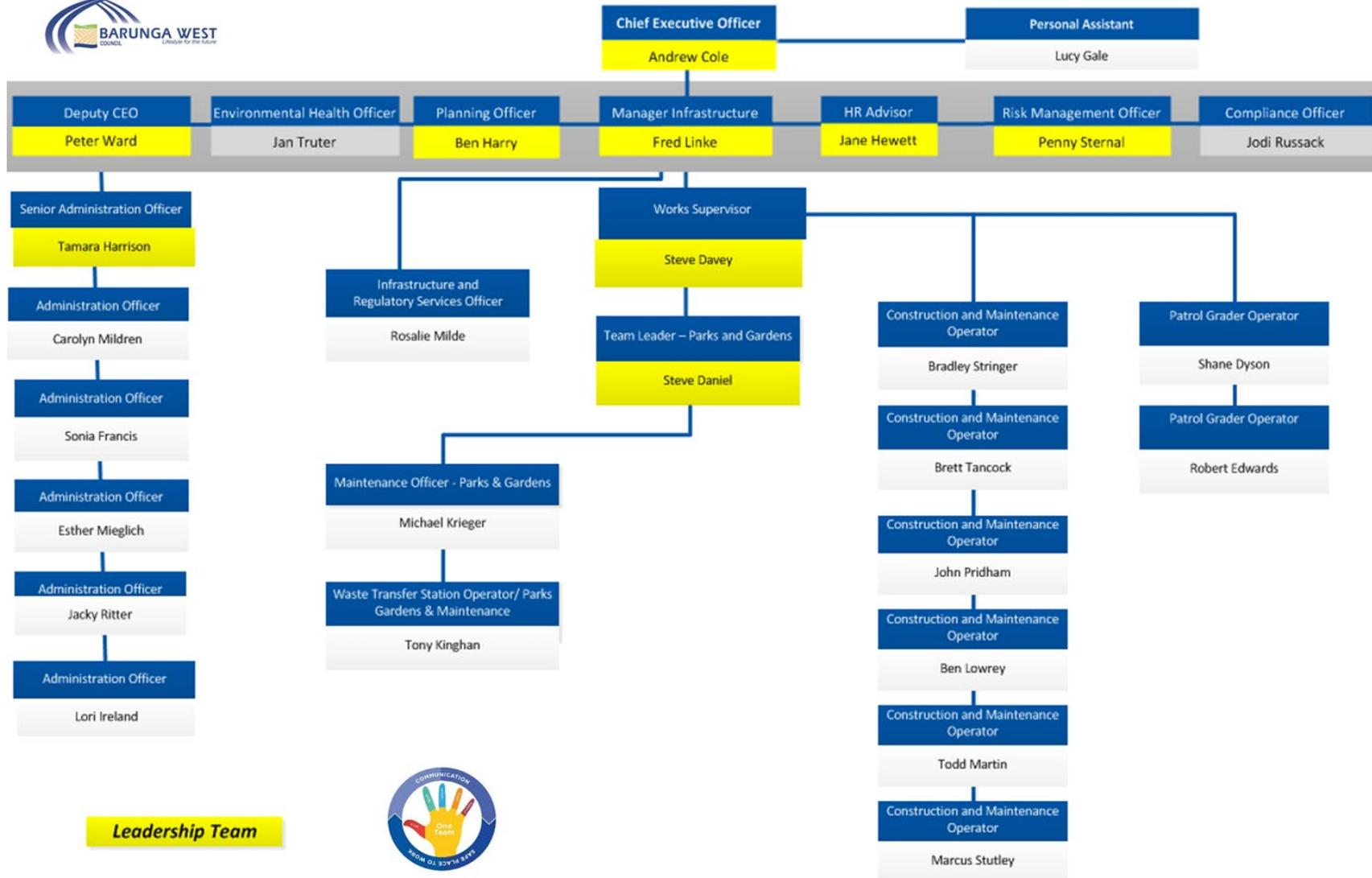
- Ben Lowrey was appointed to the role of ‘Construction and Maintenance Operator’ filling the vacant role from Shane Dyson transitioning to the Patrol Grading team. Ben commenced work with the Council in July 2017.
- Council created a new role for ‘Compliance Officer’. Jodi Russack was appointed to this role, one day per week on a casual basis. This role provides Council with additional resources to meet our regulatory requirements.
- Jane Hewett has returned from Maternity Leave as HR Advisor, currently working 1 day per week.

## Register of Salaries

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

Position Title	Classification	Allowances
<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>- Subsidised 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>- 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 of phone rental, call charges and internet charges at residential address, in accordance with Council policy;</li> <li>- Provision of an Ipad and mobile phone</li> </ul>

# Organisational Chart



**Leadership Team**



As at June 2018

## Full Staff Listing



### Administration

Chief Executive Office.....	Andrew Cole
Deputy CEO.....	Peter Ward
Personal Assistant.....	Lucy Gale
Risk Management Office.....	Penny Sternal
HR Advisor.....	Jane Hewett
Compliance Officer.....	Jodi Russack
Food Inspector.....	Jan Truter
Infrastructure & Regulatory Services Officer.....	Rosalie Milde
Senior Administration Officer.....	Tamara Harrison
Administration Officer .....	Carolyn Mildren
Administration Officer.....	Jacky Ritter
Administration Officer.....	Lori Ireland
Administration Officer .....	Sonia Francis
Administration Officer.....	Esther Mieglich

### Development and Environmental Services

Planning Officer.....	Benjamin Harry
Building Officer.....	Contracted to DC Copper Coast Staff
Environmental Health Officer.....	Contracted to DC Copper Coast Staff

### Works – Construction

Manager Infrastructure Service.....	Robert Linke
Works Supervisor.....	Steven Davey
Construction and Maintenance Operator.....	Ben Lowrey
Construction and Maintenance Operator.....	John Pridham
Construction and Maintenance Operator.....	Bradley Stringer
Construction and Maintenance Operator.....	Brett Tancock
Construction and Maintenance Operator.....	Todd Martin

### Works – Patrol Grading

Patrol Grader Operator.....	Marcus Stutley
Patrol Grader Operator .....	Robert Edwards
Patrol Grader Operator.....	Shane Dyson

### Works - Maintenance

Team Leader – Parks and Gardens.....	Steven Daniel
Maintenance Officer – Parks and Gardens.....	Michael Krieger
WTS Operator - Maintenance Officer – Parks and Gardens.....	Anthony Kinghan

## Jane Hewett

### Human Resources Advisor

# Risk Management

## Risk Management

A result of 2017 work health safety, enterprise and operational risk auditing from Local Government Risk Services, a more strategic risk management plan has been developed to guide the organisation toward better risk management application.

The Enterprise Risk, Work Health Safety and Return to Work Plan 2018 – 2020, provides guidance and accountability for three primary programs:

- Governance and Legislative compliance
- Hazard Management; &
- Contractor Management

Program champions have documented objectives, accompanied with key performance criteria and close out dates.

This higher level of risk management creates greater accountability, monitoring and review, which develops better risk management practices from an across all organisation levels.

## Work Health and Safety

The past twelve months have followed the same footprints of previous years with commendable injury statistics at zero.

Guidance and direction from the 'top down' has improved the level of acceptance and compliance met from the workforce overall, toward meeting best practice standards.

The introduction of the Skytrust platform, funded by LGRS, has seen improved levels of hazard and injury reporting, inspection recording and risk assessing. Continued implementation and internal training of Skytrust will enhance meeting compliance issues from a regulator and insurers view point.

## Work Health and Safety Statistics

<b>1 WHS legislative requirements</b>		
Number of notifiable occurrences 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
<b>2 Injury Management legislative requirements</b>		
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
<b>3 Number of claims</b>		
Number of new workers compensation claims in the financial year		0
Number of fatalities, Medical Treatment Only, Lost time injuries		0
Total number of whole working days lost		0

Penny Sternal

***Risk Management Officer***

## **Development, Planning and Environment**

Development Services includes a wide range of services within Council. Planning, Building and Development, Environmental Services and Compliance.

Council continues its Shared Services Agreement with the Copper Coast Council in relation to services for Building and Environmental & Health Services.

The employment of a casual Compliance Officer provides expertise and knowledge for matters relating to areas within Council ranging from Development, Dog and Cat Management, Litter, Noise and Nuisance and Expiation Notice management.

293 Customer Requests (or 25% of the yearly total) were received by Development Services staff during the year, coupled with telephone and counter enquiries, development application assessment and administration. This constitutes a large part of Development Services tasks.

## **Planning & Building Functions**

### **Planning**

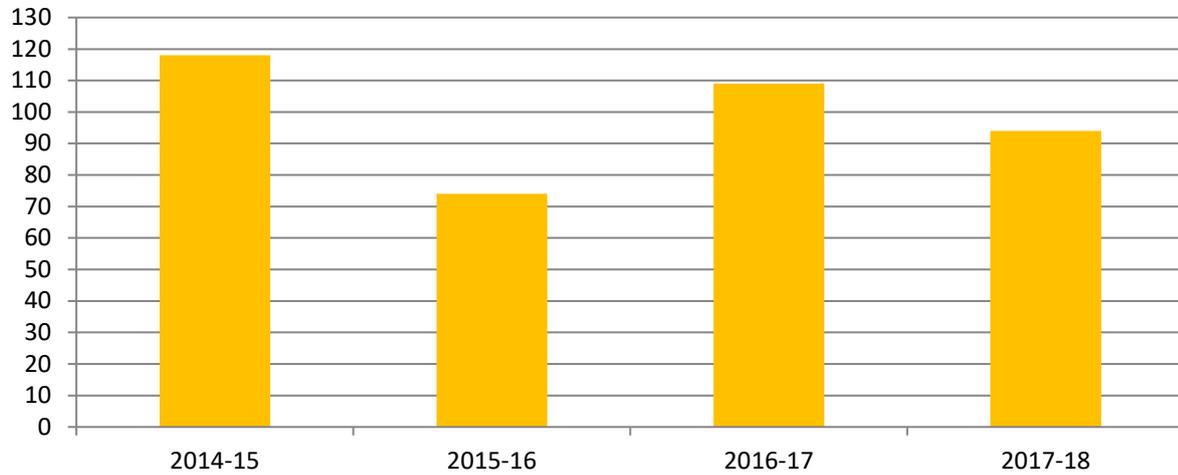
Planning staff assisted stakeholders with varied queries relating to the Planning Assessment process. Development Application numbers for the 2017/2018 year were generally Category 1 applications which were assessed under delegated authority by the Planning and Building Officers.

94 applications were received, 3 of these being Land Divisions. Further analysis shows there were 38 outbuildings such as garages, sheds, carports; 13 new dwellings; 5 swimming pool applications and 6 demolitions. Other types of approvals received range from retaining walls, signage and earthworks.

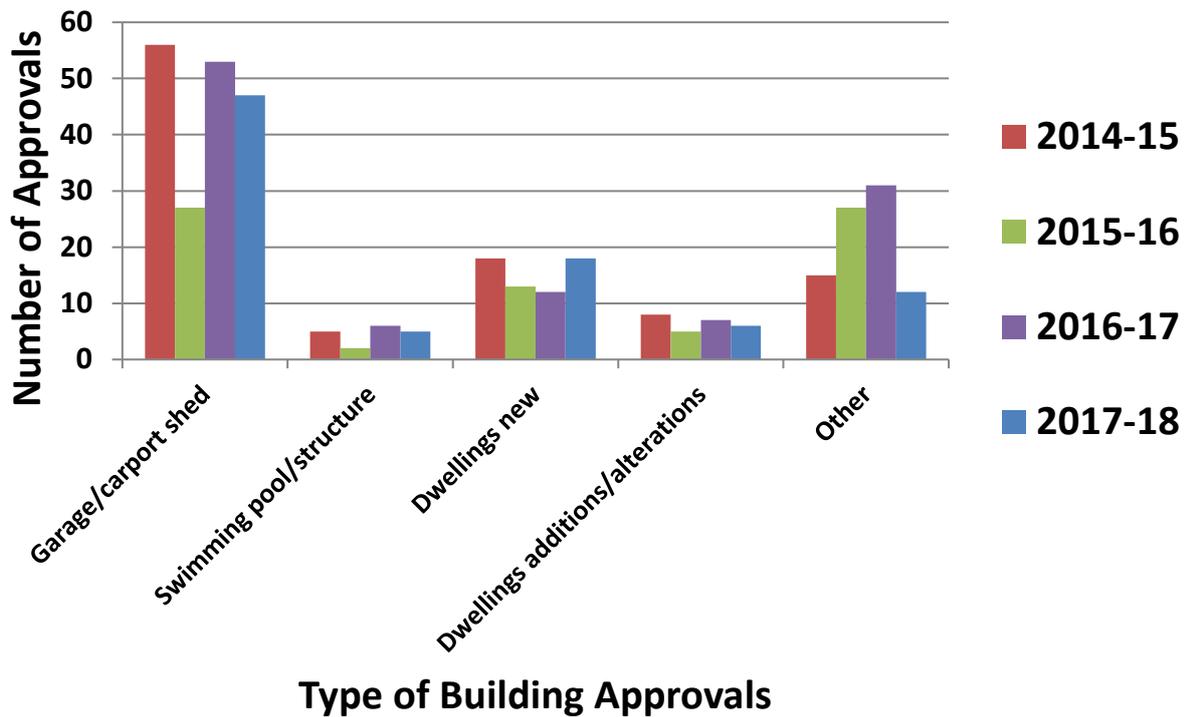
There were 7 Category 2 or 3 Public Notification applications received.

There was a substantial number of enquiries received relating to Fisherman Bay which covered a wide range of queries ranging from Building Fire Safety requirements through to proposed dwellings either new or alter. Wastewater matters also received enquiry relating to septic tanks and soakage requirements.

## Total Number of Development Applications Lodged



## Building Approvals



## **Building Function**

Building staff provide building assessments for Building Rules Assessment approvals. Council's Building Officer continues to utilise the services of Mr Peter Harmer, of CLG Harmer, Building Surveyor, when required.

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

Building Inspections are conducted where possible. The mandated level of inspections for building rules consents continues to be a challenge for Council with no staff permanently on site every business day.

The Building Fire Safety Committee has continued to hold six monthly meetings and conduct regular inspections on buildings within the district to ensure an acceptable standard in fire safety (other than domestic buildings) is maintained. Staff continue to follow up on any outstanding matters and assist stakeholders with enquiries and/or assistance.

## **Fisherman Bay Residential Built Form Development Plan Amendment (DPA)**

The Land Division Application for Fisherman Bay was amended on 3 July 2018, by the Environment Resources and Development Court (ERD No 280 of 2017), who issued a consent order varying and/or deleting a number of conditions attached to the development approval previously granted by the State Commission Assessment Panel on 26 October 2017.

With this, Council along with Fisherman Bay Management continue to work with the State Commission Assessment Panel (SCAP) towards full Freeholding Planning Approval with the trigger being an agreed detailed design process.

Council continues to utilise the services of Planning Consultant, Mr David Altmann, from consulting firm Development Answers. Mr Altmann continues to provide his expertise and advice in the processing of Development Plan Amendments, complex Land Divisions such as at Fisherman Bay, among other consultation services.

## Development Services

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

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

Work continues towards the implementation of the SA Planning, Development and Infrastructure Act 2016. Staff continue to attend training to assist in the transition from the Development Act 1993. Systems are still being developed by the State Government in consultation with Council's.

## Council Assessment Panel (CAP) Members

Barunga West Council's, Council Assessment Panel (CAP) consists of 1 Council Member, 3 Independent Members, and an Independent Presiding Member. The Panel was required to meet once in the 2017/2018 Financial Year.

CAP members are:

- |                      |                  |
|----------------------|------------------|
| • Independent Chair  | Mr John Brak     |
| • Independent Member | Mr Steve Horsell |
| • Independent Member | Mr Dean Rodda    |
| • Independent Member | Mr Mark Weedon   |
| • Council Member     | Cr James Bettess |

## Environmental and Health Services

Environmental and Health Services within Council continues via the Shared Services Agreement with the Copper Coast Council. Food Premise Inspections are conducted in accordance with statutory and reporting requirements.

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

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

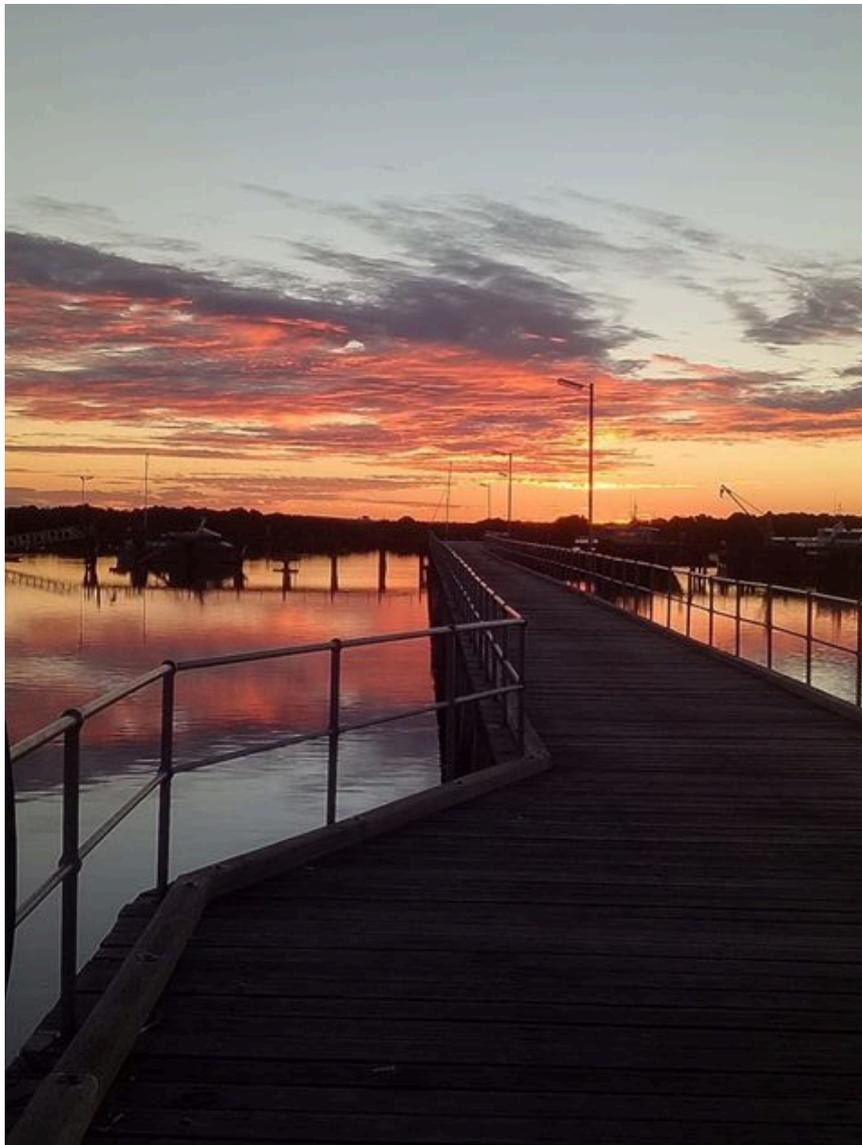
- Mosquito control using baiting program;
- Communicable disease management;
- Food Premise Inspections;
- Waste disposal systems management; and
- Community Wastewater Disposal system.

Council participates in the SA Health – Mosquito Surveillance and Arbovirus Prevention Subsidy Programme. Funding through SA Health has successfully been obtained to assist this programme to continue. Education tools are utilised within the community to assist in levels of awareness in the management of mosquitos.

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

Ben Harry,

***Planning Officer***



Photograph supplied by Ben Powell

# Infrastructure

## Overview

The Infrastructure Services Department aims to provide the highest level of service for the local community and visitors.

There are 12 dedicated staff who undertake a broad range of duties, ranging from road construction and maintenance, parks, gardens and town maintenance, mosquito prevention, maintenance of town facilities through to the delivery of library books between Bute and Port Broughton. Other projects included the sealing of the Port Broughton Sporting Club Carpark, the carpark facility on West Terrace/South Terrace, and the sealing of segments of Mail Road at South Hummocks.

All staff take great pride in the service level they provide local communities, continually aiming for positive outcomes to best serve all community members.



## Road Maintenance & Construction

Capital Works – Re-sheeting on unsealed roads saw close to 16km of road network upgraded through Council’s Capital Infrastructure Projects.

Grant Funding was received through a Special Local Roads Grant where segments of Mail Road were sealed.

Type	Road	Amount
Formed - Non Built Up	Wards Hill Road, Section 5	\$55,223
	Sluggetts Road, Section 20	\$70,633
	Pine Forest Road, Section 10	\$27,286
	Commons Road, Section 5	\$36,850
	Collee Road, Section 10	\$41,925
	McIntosh Road, Section 5	\$48,146
	Bews Road, Section 35	\$24,757
	Church Road, Section 5	\$38,749
	Church Road, Section 10	\$16,270
	Sluggetts Road, Section 25	\$46,248
	Coast Road, Section 15	\$27,312
Bitumen Seal	Mail Road, South Hummocks	\$282,441
Footpath	Edmund St, Port Broughton (W-I-P 2016/17)	\$22,585
	West Tce, Port Broughton	\$72,776
<b>Total Road Infrastructure</b>		<b>\$811,702</b>
Plant & Machinery	Patrol Grader & Roller	\$421,020
	Footpath Roller	\$39,900
	Elevated Work Platform	\$40,947
	Dual Cab Tipper	\$95,001
<b>Total Plant &amp; Machinery</b>		<b>\$596,868</b>

Plant purchase and replacement saw the purchase of the Cat12E Patrol Grader and Roller, a Footpath Roller, Elevated Work Platform and Dual Cab Tipper.

Patrol Grading took place over a 6 day period each week, with each operator working three twelve hour days. A review of the Patrol Grading structure will be conducted after the initial 12 month period. Rip and Reform works were performed on segments of unsealed road network where breakthrough and potholing was identified.

Through continuous improvement, Council reviews and reassess how we maintain our road network. We will be continually assessing this process for effectiveness.

## Asset Management

Council's Infrastructure – Road Assessment Methodology continues to provide an efficient and effective management tool for management of Council's Assets.

As part of Council's continuous improvement, the Methodology will be reviewed taking into consideration community member comments.

Asset management is an on-going process and a legislative requirement. It assists in the provision of service levels, budget planning and the timely management of assets for not only the present, but future needs and requirements.

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

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

## Animal Management

Council recorded 607 registered dogs in the 2017-18 financial year, and handled the following number of issues:-

Issue	Number
Barking Complaints	13
Wandering Dogs	15
Dogs returned to Owners	18
Dog Impounded	10
Dog Impounded then returned to Owner	6
Dog harasses person	0
Dog attacks person (police issue)	0
Dog harasses animal	3
Dog attacks animal	1

The introduction of the DACO (Dogs and Cats Online) registration and reporting site has presented staff and stakeholders challenges during the implementation of the new registration process. Once all users have become familiar with the site, the

benefits will be for all. Council is still required to conduct reporting and manage all Animal Management issues within the Council area.

## **Waste Management Services**

Council continues to encourage residents to utilise the Kerbside Waste Service and recycle with the three recycle bins provided and one weekly general waste bin.

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

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

An extensive review of the Waste Transfer Stations, in particular Port Broughton has seen Council take over the management of the Waste Transfer Station internally which included the employment of an additional staff member. The review has led to a restructure of requirements to run the site in accordance with the Environment Protection Agency (EPA) licences. Review of Council's processes continue to work towards continuous improvement for site management.

## **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.

Annual training is attended by Council's Authorised Officers to assist with up to date legislation and requirements.

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

*Fred Linke*

## **Infrastructure Services**

# Finance

Council recorded a net operating surplus of \$361K in 2017/18, very similar to the 2016/17 operating surplus of \$371K, and well improved on the forecast deficit of \$236K.

	2016-17 Actual	2017-18 Budget	2017-18 Actual
<b>Operating Income</b>			
Rates	4,280	4,491	4,497
Statutory Charges	77	62	84
User Charges	440	408	471
Grants	1294	655	912
Investment Income	36	27	49
Reimbursements	76	7	35
Other Income	108	89	114
<b>TOTAL INCOME</b>	<b>6,311</b>	<b>5,740</b>	<b>6,162</b>
<b>Operating Expenditure</b>			
Wages & Salaries	1,735	1,888	2,014
Materials & Contracts	2,655	2,466	2,448
Depreciation	1,421	1,561	1,428
Interest Expense	65	61	61
<b>TOTAL EXPENDITURE</b>	<b>5,876</b>	<b>5,976</b>	<b>5,951</b>
<b>Gross Operating Result</b>	<b>435</b>	<b>-236</b>	<b>211</b>
Asset Disposal	-64	0	-60
Grants for New Assets	0	0	210
Physical Resources FOC	0	0	0
<b>Net Operating Result</b>	<b>371</b>	<b>-236</b>	<b>378</b>
<b>Revaluation of NC Assets</b>	<b>1,358</b>	<b>0</b>	<b>0</b>
<b>Comprehensive Result</b>	<b>1,729</b>	<b>-236</b>	<b>361</b>

## Performance in relation to Long Term Financial Plan

In relation to the Long Term Financial Plan (LTFP), Council recorded a surplus in 2017/18, rather than a gross operating deficit forecast in the previous LTFP.

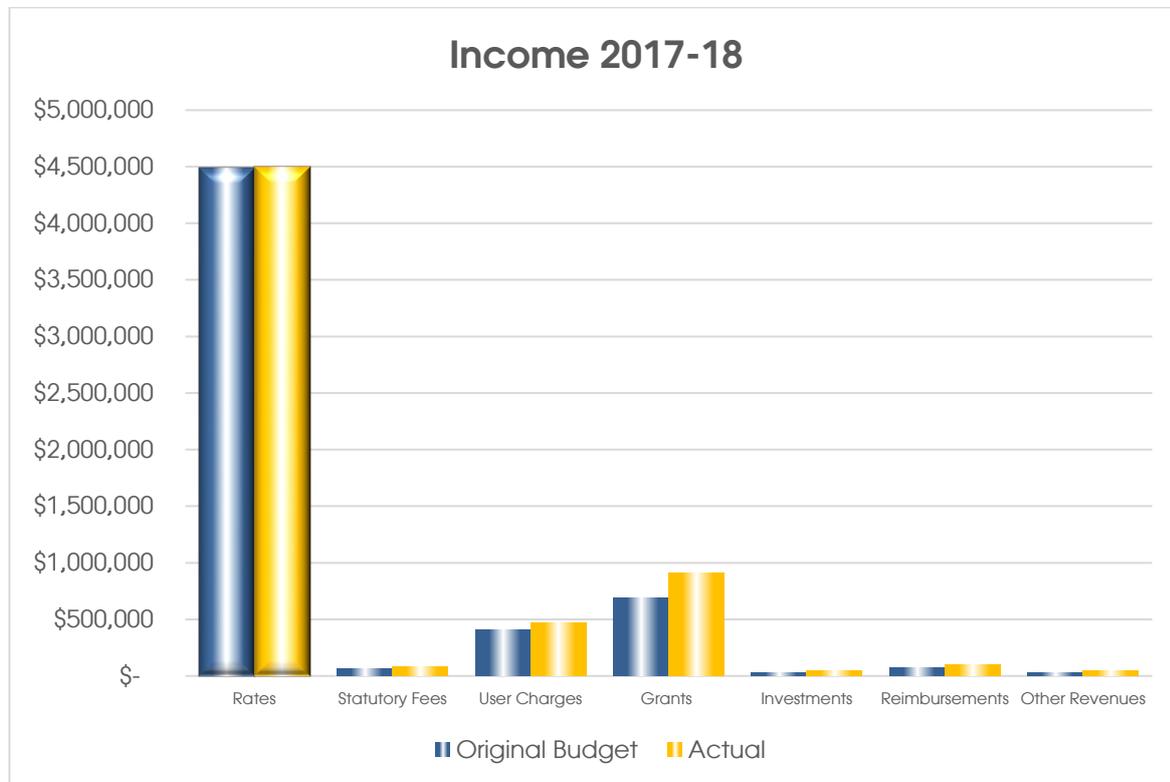
Tracking the LTFP is made un-necessarily difficult by the continued prepayment of annual Financial Assistance Grants, a policy that has no discernible benefit to Council. Indeed it only complicates matters for ratepayers, with all year-to-year comparisons needing to be qualified.

Early payment of Roads to Recovery funding improves financial results early in the program, to the detriment of latter years.

Council's operating position long term is trending toward sustainable annual surpluses or break-even.

## Significant Budget Variations 2017/18

### Income

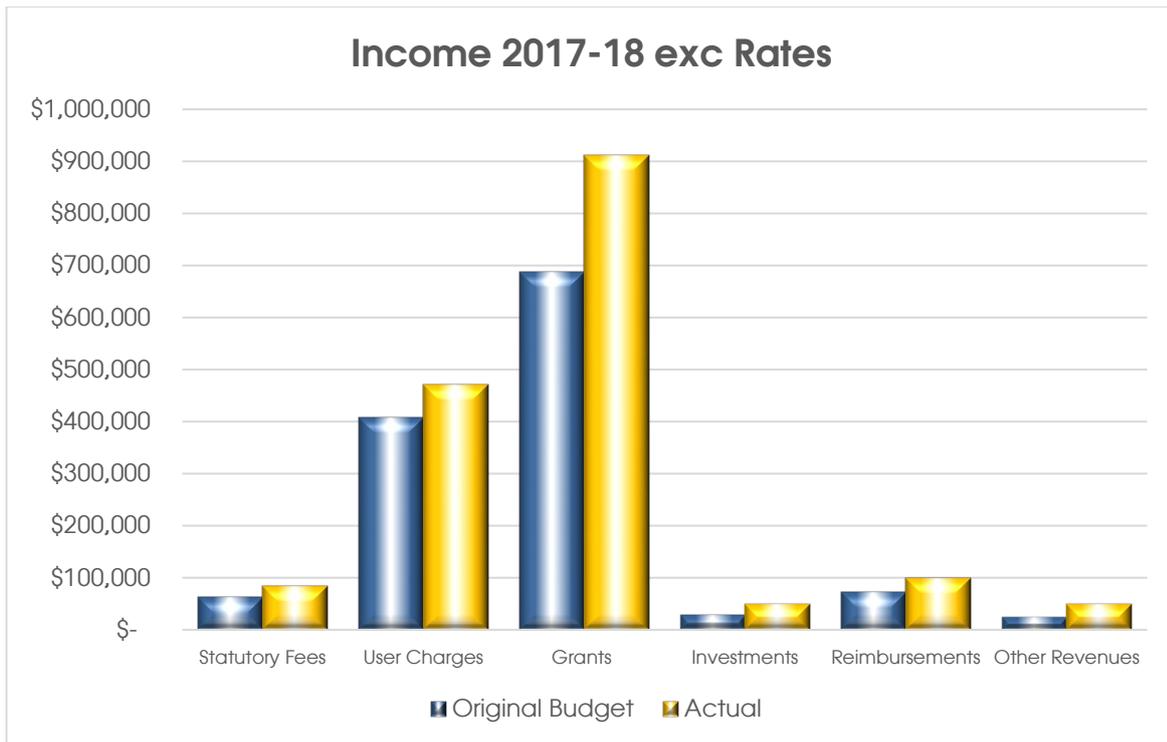


Income slightly more than budget across the board.

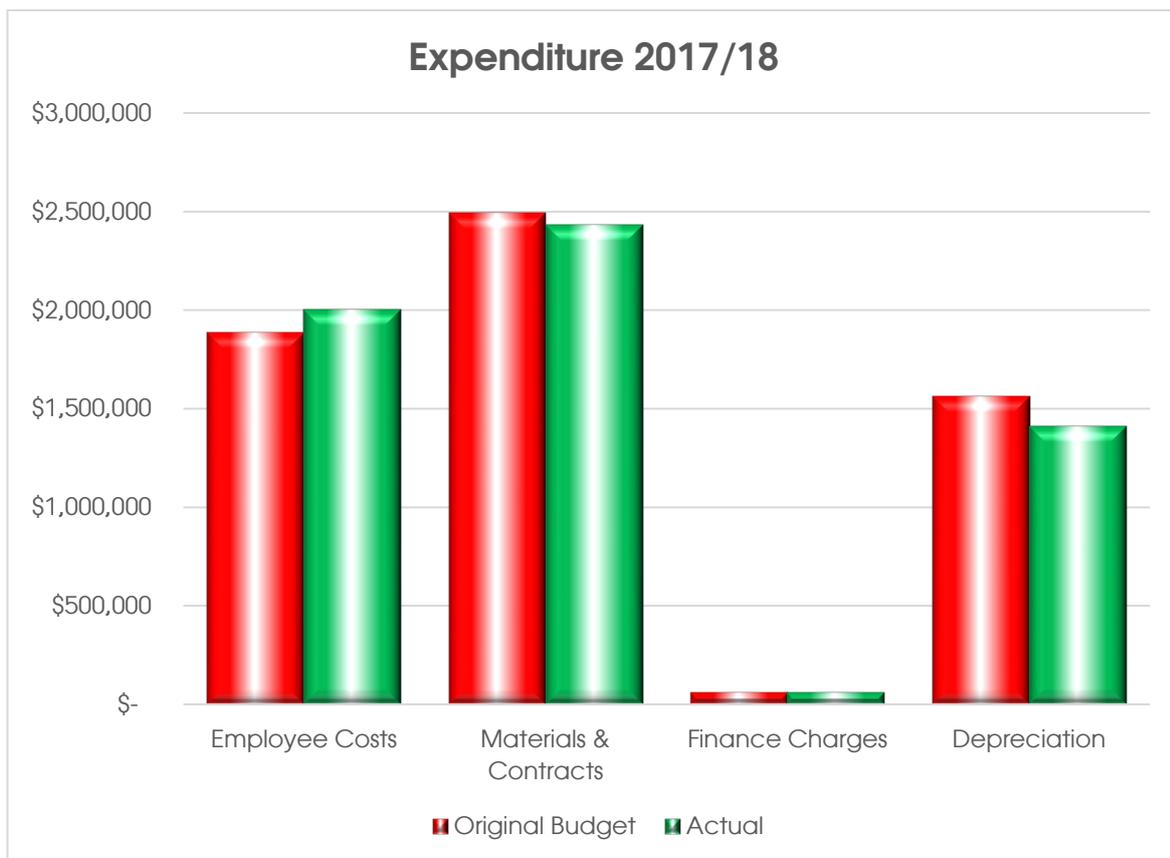
Grant Income was \$224K over budget, due to:

- Reduction of 2018/19 Financial Assistance Grants by \$275K due to prepayment of 50% of 2017/18 allocation in 2016/17;
- Increase in Grant Income 2017/18 due to prepayment of \$292K of the 2018/19 Financial Assistance Grants allocation;
- Increase in Grants commission Supplementary Road Funding of \$96K.
- Full Claim of 2018/19 Roads to Recovery funding in 2017/18 year, an amount of \$121K

Budget Income for 2018/19 will be adversely affected by the 50% prepayments of the annual Financial Assistance Grants.



## Expenditure



- \$111K increase of actual wages over budget wages due to an additional employee being engaged to manage the Waste transfer station, and a slight rundown of annual leave accruals.

- \$59K reduction in Materials and Contractors expenses, principally a reduction Professional Services & Sundry expenses, which offset unbudgeted asbestos removal and forced replacement of two septic tanks on private properties under the Health Act.
- \$151K reduction in depreciation expense following revaluation of Road Infrastructure assets by Tonkins Engineers.

### Changes in Assets & Liabilities

- Council's cash and investment reserves increased by \$317K in 2017/18, due principally to prepayment of 2018/19 grant income.
- Council took out a new loan of \$360K in 2018/19. Council repaid principal repayments of \$321K. The outstanding principal is currently \$918K, up from \$879K in 2016/17.

### 2018/19 Annual Budget

- Council originally budgeted for a deficit of \$235K for 2018/19, but given the Financial Assistance Grants prepayments of \$292K, this operating deficit will increase when the first quarterly budget review is completed in October 2018.
- In addition we anticipate significant increases in waste disposal costs, based on information that has come to light, post budget.

## Financial Ratios

The **Operating Surplus Ratio** declined slightly from 7.00% in 2016/17 to 4.00% in 2017/18, which further reduces to -1.00% when the prepayment of the Financial Assistance Grant is allowed for.

This ratio expresses the operating deficit as a percentage of general and other rates, net of NRM levy. Ideally the target for this ratio is 0.00% or better. Council has attained this target in 2017/18 due to increased (and pre-paid) grant income, as well as a reduction in contractor operating expenditure, and a reduction in depreciation expense.

The **Net Financial Liabilities Ratio** decreased from -7.00% to -12.00%, which is an improved position over the year (the lower this ratio the better.). 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 improved as Council has reduced its outstanding loan principle and associated annual interest expense to manageable levels.

The improvement in the ratio is influenced in 2017/18 by the prepayment of grants, which increases Council's cash holdings. If the grant prepayment of \$292K is taken out, the ratio reverts to 0.00%.

## **Asset Sustainability Ratio**

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

Whereas the current annual depreciation is in the order of \$1.4M per annum, the review of all asset classes has determined an annual capital renewal expenditure in the order of \$900-1,000,000. However the late receipt of the Tonkins road asset valuations will require Council to review backlog assets ready for renewal, as well as those assets requiring renewal in the next 10 years. From this, an updated estimate of annual required expenditure will be determined.

Accordingly, based upon the existing 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 40-50% 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 2018-2028 was made available for public consultation in June 2018 and adopted at the July 2018 Council meeting.

## **Asset Management Policy**

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

Council will update the Building Asset Management Plan in 2018-19, in conjunction with a valuation review by APV Valuers. Road Asset Infrastructure movements are reviewed annually by Tonkins Engineers.

## **Cash Balances**

Council held cash deposits and short term investment deposits as at June 30 2018 totalling \$2,168K (2016/17 = \$1,851K). The increase in cash balances of \$317K was principally as a result of prepaid grants.

## Loans

Council has seven loans current as at June 30 2018. The total principal outstanding is \$922K (2017 = \$879). Council took out a new loan of \$360K in the 2017/18 financial year, and repaid \$321K of principal of current loans.

Council has 2 outstanding Community Loans. The Community Groups are responsible for the loan repayments.

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

A further loan for the Port Broughton boat ramp is part funded by proceeds from the boat ramp.

Council has an existing Cash Advance Debenture for \$150,000 (CAD), and took out another CAD for \$350,000 for a period of 15 years. The CAD allows Council to drawdown funds on a short term basis. Neither of these facilities has been used.

## Rural Transaction Centres

The ANZ has discontinued its Council agency at both Port Broughton & Bute.

Council maintains a Rural Transaction Centre at Port Broughton and an Australia Post facility in Bute.

## Audit Committee

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

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

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

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

## Auditor

Galpins are contracted to provide audit services for the period 2016-2020. In accordance with s.128(9)(a) of the *Local Government Act 1999*, the annual audit fee

for their audit services for the 2018/19 financial year was \$16,813.50, including GST. There were no other remuneration payments made.

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 2017/18 Community Grants scheme:

Organisation	Project Title	Allocated amount
Port Broughton RSL	Port Broughton outdoor movie cinema	\$ 5,000
Thomas Plains Tennis Club	Tennis hit up wall – Junior Development	\$ 4,800
Bute History Group	Carpet Replacement	\$ 4,000
Bute Sporting Club	Upgrade bar	\$ 4,500
Alford CFS	Purchase of Defibrillator	\$ 2,650
Bute Primary School	Bute Primary School's Values Mosaic	\$ 2,550
Port Broughton Progress Assoc	New table & chairs for Community Hall	\$ 2,500
Bute RSL	Refurbish display room	\$ 2,400
Mundoora Progress Assoc	Seating for Museum Garden	\$ 1,100
<b>TOTAL ALLOCATED</b>		<b>\$ 29,500</b>

Peter Ward  
**Deputy CEO**

## Community Grant projects 2017/18



Bute Sporting Club upgrade of bar



Port Broughton RSL outdoor movie cinema



Bute Primary School's Values Mosaic Project



Thomas Plains Tennis Club – hit up wall for Junior Development



Bute RSL refurbished display room

## Citizen of the Year 2017

### Port Broughton Citizen of the Year Mrs Cheryl Richardson

Cheryl has been involved with many community groups in Port Broughton since moving to the district, including being the secretary of the Broughton Rainbow Quilters for 11 years, volunteering with Barunga Village for 9 years, a volunteer with Meals on Wheels for the past 9 years and has been a member of the Pt Broughton Progress Association for the past 5 years. Cheryl has also been a regular volunteer at the Pt Broughton Visitor Information Centre for the last 6 years. Cheryl is a valued and respected member of the Port Broughton community, and a very worthy recipient of the Citizen of the Year award.

### Bute Citizen of the Year Mr Brenton Price

Brenton has been an outstanding citizen in the Bute district for many years and is a life member of the Thomas Plains Tennis Club, a life member of the Bute Golf Club, and has been a member of the Bute Lions Club for the past 21 years. Brenton was at the forefront of the restoration of the Kulpara Church building, and has been a very active member for all organisations he is involved with, from fundraising and catering to assisting with bushfire clean up efforts. Brenton is also recognised for his work in the grain industry having been a long term member of the Wallaroo Silo Committee working with local farmers in the Barunga West Area.

## Community Event of the Year 2017

### Bute Community Event of the Year Beaut Day at Bute"

Bute 2000 Committee held a community garage sale in Bute involving the whole town and attracting people from all over the state to the region. The day also included CFS demonstrations and showcased the work of the Bute Men's Shed furniture.

### Port Broughton Community Event of the Year "2017 Grand Final Day"

Port Broughton Oval was the venue for the 2017 Northern Areas Football & Netball Grand Final. This event attracted a crowd of over 6000 people to Port Broughton and required a tremendous amount of volunteers from many groups within the community to organise, set up and run the event on the day. The Event of the Year award has been awarded to the 'Working Committee' which was formed from members of the Port Broughton Combined Sporting Clubs Inc., Broughton Mundoorra Football Club and the Broughton Mundoorra Netball Club. We would also like to recognise the efforts of the SES, CFS, Ambulance and SAPOL members for their time and assistance on the day. Congratulations to all involved in such a successful event.





YP Alliance members met with Deputy Prime Minister Michael McCormack



Mayor Cynthia Axford with Mayor Ray Agnew (Yorke Peninsula) and Mayor Paul Thomas (Copper Coast) at the Australian Senior Sides Championships held on the Yorke Peninsula in October 2017. *YP Country Times photo*



Residents participated in Councils annual "free tree" day at both Pt Broughton and Bute.



CEO Andrew Cole and Mayor Cynthia Axford with Minister Geoff Brock at a public meeting to discuss the Fisherman Bay freeholding process in 2017



Mayor Cynthia Axford with Bute Citizen of the Year 2017, Mr Brenton Price.



Bute 2000 Onwards Committee received the award for community events of the year 2017.

# *Lifestyle for the future*



Photograph supplied by Peter Ward

## **Appendix A** *Annual Financial Statements*

***Barunga West Council  
Annual Financial Statements 2017/18***

# Barunga West Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2018

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*Lifestyle for the Future*



# Barunga West Council

## General Purpose Financial Statements for the year ended 30 June 2018

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## Barunga West Council

### General Purpose Financial Statements for the year ended 30 June 2018

### Certification of Financial Statements

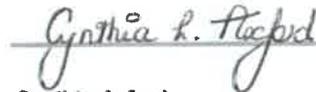
**We have been authorised by the Council to certify the financial statements in their final form.**

**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 2018 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: 30/10/2018

## Barunga West Council

### Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
<b>Income</b>			
Rates Revenues	2a	4,497	4,280
Statutory Charges	2b	84	77
User Charges	2c	471	440
Grants, Subsidies and Contributions	2g	912	1,294
Investment Income	2d	49	36
Reimbursements	2e	35	76
Other Income	2f	114	108
<b>Total Income</b>		<b>6,162</b>	<b>6,311</b>
<b>Expenses</b>			
Employee Costs	3a	2,014	1,735
Materials, Contracts & Other Expenses	3b	2,448	2,655
Depreciation, Amortisation & Impairment	3c	1,428	1,421
Finance Costs	3d	61	65
<b>Total Expenses</b>		<b>5,951</b>	<b>5,876</b>
<b>Operating Surplus / (Deficit)</b>		<b>211</b>	<b>435</b>
Asset Disposal & Fair Value Adjustments	4	(60)	(64)
Amounts Received Specifically for New or Upgraded Assets	2g	210	-
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>361</b>	<b>371</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	-	1,358
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>1,358</b>
<b>Total Comprehensive Income</b>		<b>361</b>	<b>1,729</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

## Barunga West Council

### Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	2,168	1,851
Trade & Other Receivables	5b	293	196
Inventories	5c	175	146
<b>Total Current Assets</b>		<b>2,636</b>	<b>2,193</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	71	77
Infrastructure, Property, Plant & Equipment	7a	50,302	50,280
<b>Total Non-Current Assets</b>		<b>50,373</b>	<b>50,357</b>
<b>TOTAL ASSETS</b>		<b>53,009</b>	<b>52,550</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	271	267
Borrowings	8b	212	287
Provisions	8c	551	489
<b>Total Current Liabilities</b>		<b>1,034</b>	<b>1,043</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	706	592
Provisions	8c	47	54
<b>Total Non-Current Liabilities</b>		<b>753</b>	<b>646</b>
<b>TOTAL LIABILITIES</b>		<b>1,787</b>	<b>1,689</b>
<b>Net Assets</b>		<b>51,222</b>	<b>50,861</b>
<b>EQUITY</b>			
Accumulated Surplus		(406)	(428)
Asset Revaluation Reserves	9a	50,770	50,770
Other Reserves	9b	858	519
<b>Total Council Equity</b>		<b>51,222</b>	<b>50,861</b>

## Barunga West Council

### Statement of Changes in Equity for the year ended 30 June 2018

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2018</b>					
<b>Balance at the end of previous reporting period</b>		(428)	50,770	519	<b>50,861</b>
<b>a. Net Surplus / (Deficit) for Year</b>		361	-	-	<b>361</b>
<b>Total Comprehensive Income</b>		<b>361</b>	<b>-</b>	<b>-</b>	<b>361</b>
<b>b. Transfers between Reserves</b>		(339)	-	339	<b>-</b>
<b>Balance at the end of period</b>		<b>(406)</b>	<b>50,770</b>	<b>858</b>	<b>51,222</b>
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		(791)	49,412	511	<b>49,132</b>
<b>a. Net Surplus / (Deficit) for Year</b>		371	-	-	<b>371</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	1,358	-	<b>1,358</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>1,358</b>	<b>-</b>	<b>1,358</b>
<b>Total Comprehensive Income</b>		<b>371</b>	<b>1,358</b>	<b>-</b>	<b>1,729</b>
<b>c. Transfers between Reserves</b>		(8)	-	8	<b>-</b>
<b>Balance at the end of period</b>		<b>(428)</b>	<b>50,770</b>	<b>519</b>	<b>50,861</b>

# Barunga West Council

## Statement of Cash Flows

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates Receipts		4,409	4,334
Statutory Charges		84	85
User Charges		518	444
Grants, Subsidies and Contributions (operating purpose)		912	1,294
Investment Receipts		49	36
Reimbursements		38	84
Other Receipts		362	391
<b>Payments</b>			
Payments to Employees		(1,966)	(1,702)
Payments for Materials, Contracts & Other Expenses		(2,774)	(3,042)
Finance Payments		(60)	(69)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>1,572</b>	<b>1,855</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets		210	-
Sale of Replaced Assets		9	17
Repayments of Loans by Community Groups		6	14
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets		(519)	(596)
Expenditure on New/Upgraded Assets		(1,000)	(164)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,294)</b>	<b>(729)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings		360	-
<b>Payments</b>			
Repayments of Borrowings		(321)	(296)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>39</b>	<b>(296)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>317</b>	<b>830</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	1,851	1,021
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>2,168</b>	<b>1,851</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Contents of the Notes accompanying the Financial Statements

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n/a - not applicable

## Notes to and forming part of the Financial Statements for the year ended 30 June 2018

### Note 1. Summary of Significant Accounting Policies

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 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 these Notes.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### 2 The Local Government Reporting Entity

District Council of Barunga West is incorporated under the South Australian *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.

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

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$552,726	\$259,374	+ \$292,352

The operating result of this period has been distorted compared to the result that would have been reported had the grants been paid in the year to which they were allocated.

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

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

**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 Initial Recognition**

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

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

**6.2 Materiality**

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

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Land Improvement	\$10,000
Buildings	\$10,000
Buildings – Other Structures	\$20,000
Infrastructure – Roads	\$10,000
Infrastructure – Footpaths	\$10,000
Infrastructure – Stormwater	\$10,000
Infrastructure – CWMS	\$10,000

Some road segments with expenditure less than \$10,000 have been treated as capital expenditure because that expenditure has materially extended the Remaining Useful Life of the particular road asset.

**6.3 Subsequent Recognition**

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

**6.4 Depreciation of Non-Current Assets**

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

*Plant, Furniture & Equipment*

Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equip	4 to 25 years
Other Plant & Equipment	4 to 20 years

*Building & Other Structures*

Buildings – masonry	7 to 100 years
Buildings – other construction	7 to 100 years
Park Structures – masonry	7 to 100 years
Park Structures – other construction	7 to 100 years
Playground equipment	7 to 100 years
Benches, seats, etc	7 to 100 years

*Infrastructure*

Sealed Roads – Surface	22 to 30 years
Sealed Roads – Structure	20 to 150 years
Unsealed Roads	20 to 100 years
Paving & Footpaths, Kerb & Gutter	5 to 100 years
Drains	5 to 100 years
Culverts	5 to 100 years
Reticulation Pipes – PVC	10 to 70 years
Reticulation Pipes – other	10 to 70 years
Pumps & Telemetry	10 to 70 years

**6.5 Impairment**

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

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

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

**6.6 Borrowing Costs**

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

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

**8 Borrowings**

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

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

**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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2018

### Note 1. Summary of Significant Accounting Policies (continued)

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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.

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

#### 10 Provisions for Reinstatement, Restoration and Rehabilitation

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

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

#### 11 Leases

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

Council does not hold any finance leases.

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.

#### 12 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".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### 13 Equity Accounted Council Businesses

Council has no equity accounted Council businesses.

#### 14 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.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

**15 New accounting standards and UIG interpretations**

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

District Council of Barunga West has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

**Effective for annual reporting periods beginning on or after 1 January 2017**

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of*

*Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*

- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

**Effective for annual reporting periods beginning on or after 13 February 2017**

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

**Effective for annual reporting periods beginning on or after 13 December 2017**

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

**Effective for annual reporting periods beginning on or after 1 January 2018**

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**Note 1. Summary of Significant Accounting Policies** (continued)

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- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

**Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

**16 Comparative Figures**

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

**17 Disclaimer**

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

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 2. Income

\$ '000	Notes	2018	2017
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		3,977	3,800
Less: Mandatory Rebates		(38)	(33)
Less: Discretionary Rebates, Remissions & Write Offs		(51)	(53)
<b>Total General Rates</b>		<b>3,888</b>	<b>3,714</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		196	184
Community Wastewater Management Systems		393	365
<b>Total Other Rates</b>		<b>589</b>	<b>549</b>
<b>Other Charges</b>			
Penalties for Late Payment		20	17
<b>Total Other Charges</b>		<b>20</b>	<b>17</b>
<b>Total Rates Revenues</b>		<b>4,497</b>	<b>4,280</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		14	11
Town Planning Fees		45	43
Health & Septic Tank Inspection Fees		2	4
Animal Registration Fees & Fines		23	17
Sundry		-	2
<b>Total Statutory Charges</b>		<b>84</b>	<b>77</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		29	31
Hall & Equipment Hire		37	36
Sales - General		-	5
Sundry		1	2
Caravan Parks		269	234
Post Office , RTC & Other		82	78
CWMS Sub-division Fees		4	9
Boat Ramp Fees & Permits		24	24
Sanitation & Garbage		25	21
<b>Total User Charges</b>		<b>471</b>	<b>440</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 2. Income (continued)

\$ '000	Notes	2018	2017
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		17	8
- Banks & Other		27	22
- Loans to Community Groups		5	6
<b>Total Investment Income</b>		<b>49</b>	<b>36</b>
<b>(e). Reimbursements</b>			
Private Works		35	69
Other		-	7
<b>Total Reimbursements</b>		<b>35</b>	<b>76</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments - Infrastructure, IPP&E		27	33
Rebates Received		75	66
Sundry		12	9
<b>Total Other Income</b>		<b>114</b>	<b>108</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		210	-
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>210</b>	<b>-</b>
Other Grants, Subsidies and Contributions		22	27
Untied - Financial Assistance Grant		356	534
Roads to Recovery		241	457
Library and Communications		1	1
Individually Significant Item - Additional Grants Commission Payment (refer below)		292	275
<b>Total Other Grants, Subsidies and Contributions</b>		<b>912</b>	<b>1,294</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>1,122</b>	<b>1,294</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		451	457
State Government		671	837
<b>Total</b>		<b>1,122</b>	<b>1,294</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		292	275

2018: Prepayment of half of the 2018/19 Financial assistance Grant allocation was pre-paid in 2017/18

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 3. Expenses

\$ '000	Notes	2018	2017
<b>(a). Employee Costs</b>			
Salaries and Wages		1,591	1,353
Employee Leave Expense		248	254
Superannuation - Defined Contribution Plan Contributions	18	130	108
Superannuation - Defined Benefit Plan Contributions	18	35	36
Workers' Compensation Insurance		87	75
Other		57	59
Less: Capitalised and Distributed Costs		(134)	(150)
<b>Total Operating Employee Costs</b>		<b>2,014</b>	<b>1,735</b>
Total Number of Employees (full time equivalent at end of reporting period)		25	22
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		15	15
Elected Members' Expenses		89	83
<b>Subtotal - Prescribed Expenses</b>		<b>104</b>	<b>98</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		904	1,285
Maintenance		115	63
Legal Expenses		63	39
Levies Paid to Government - NRM levy		196	183
Levies - Other		15	19
Parts, Accessories & Consumables		94	96
Professional Services		154	126
Sundry		258	249
Utilities		247	200
Insurance		153	162
Telecommunications		145	135
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>2,344</b>	<b>2,557</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>2,448</b>	<b>2,655</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		242	256
Infrastructure			
- Sealed Roads		189	196
- Unsealed Roads		588	597
- Stormwater Drainage		34	34
- CWMS		108	108
- Footpaths, Kerb & Gutter		73	70
Plant & Equipment		171	141
Furniture & Fittings		23	19
<b>Subtotal</b>		<b>1,428</b>	<b>1,421</b>
<b>(ii) Impairment</b>			
Nil			
<b>Total Depreciation, Amortisation and Impairment</b>		<b>1,428</b>	<b>1,421</b>
<b>(d). Finance Costs</b>			
Interest on Loans		61	65
<b>Total Finance Costs</b>		<b>61</b>	<b>65</b>

#### Note 4. Asset Disposal & Fair Value Adjustments

##### Infrastructure, Property, Plant & Equipment

###### (i) Assets Renewed or Directly Replaced

Proceeds from Disposal	9	17
Less: Carrying Amount of Assets Sold	(69)	(81)
<b>Gain (Loss) on Disposal</b>	<b>(60)</b>	<b>(64)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(60)</b>	<b>(64)</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 5. Current Assets

\$ '000	Notes	2018	2017
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		40	79
Deposits at Call		2,128	1,772
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,168</b>	<b>1,851</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		221	133
Accrued Revenues		4	2
Debtors - General		22	9
GST Recoupment		25	-
Prepayments		15	46
Loans to Community Organisations		6	6
<b>Total Trade &amp; Other Receivables</b>		<b>293</b>	<b>196</b>
<b>(c). Inventories</b>			
Stores & Materials		175	146
<b>Total Inventories</b>		<b>175</b>	<b>146</b>

#### Note 6. Non-Current Assets

##### (a). Financial Assets

###### Receivables

Loans to Community Organisations		71	77
<b>Total Receivables</b>		<b>71</b>	<b>77</b>
<b>Total Financial Assets</b>		<b>71</b>	<b>77</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 7a (i). Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2017						Asset Movements during the Reporting Period						as at 30/6/2018						
		At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	Asset Additions			WDV of Asset Disposals	Depreciation Expenses (Note 9c)	WIP Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	
							New/ Upgrade	Renewals												
\$ '000																				
Capital Work in Progress	3	-	23	-	-	23	-	-	-	-	(23)	-	-	-	-	-	-	-	-	-
Land - Community	3	8,123	-	-	-	8,123	-	-	-	-	-	-	-	-	-	-	-	-	-	8,123
Land - Other	2	3,922	-	-	-	3,922	-	-	-	-	-	-	-	-	-	-	-	-	-	3,922
Buildings & Other Structures	3	15,363	22	4,638	-	10,747	11	23	-	(242)	-	-	-	-	-	-	-	-	-	10,539
Infrastructure																				
- Sealed Roads	3	12,004	53	4,540	-	7,517	282	-	(189)	-	-	-	-	-	-	-	-	-	-	7,610
- Unsealed Roads	3	16,929	462	9,391	-	8,000	-	434	(44)	-	-	-	-	-	-	-	-	-	-	7,802
- Stormwater Drainage	3	2,854	64	1,154	-	1,794	-	-	(34)	-	-	-	-	-	-	-	-	-	-	1,760
- CWMS	3	7,607	18	1,775	-	5,850	-	41	-	(106)	-	-	-	-	-	-	-	-	-	5,784
- Footpaths, Kerb & Gutter	3	4,716	109	1,282	-	3,543	73	-	(20)	(73)	23	-	-	-	-	-	-	-	-	3,546
Plant & Equipment	2	-	2,160	1,438	-	722	628	14	(5)	(171)	-	-	-	-	-	-	-	-	-	1,188
Furniture & Fittings	2	-	102	63	-	39	-	12	-	(23)	-	-	-	-	-	-	-	-	-	28
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>71,548</b>	<b>3,013</b>	<b>24,281</b>	<b>-</b>	<b>50,280</b>	<b>994</b>	<b>524</b>	<b>(69)</b>	<b>(1,428)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,041</b>	<b>4,465</b>	<b>25,204</b>	<b>-</b>	<b>50,302</b>	
Comparatives		72,845	2,931	26,112	-	49,664	207	553	(81)	(1,421)	-	(7,030)	8,388	71,548	3,013	24,281	-	50,280		

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment &  
Investment Property

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\$ '000

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**Valuation of Assets**

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

**Information on Valuations**

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.

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.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment &  
Investment Property (continued)

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\$ '000

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Valuation of Assets (continued)

**Other Information**

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

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

**Highest and best use**

All of Council's non financial assets are considered as being utilised for their highest and best use.

**Transition to AASB 13 - Fair Value Measurement**

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

**Land & Land Improvements**

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2017.
- Valuer: Office of the Valuer General

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.

**Buildings & Other Structures**

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 1 July 2014.
- Valuer: Australian Property Valuers

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 and Other Structures 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.

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

##### Valuation of Assets (continued)

###### Infrastructure

Transportation assets were revalued as at July 1 2016 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.

###### Roads, Kerb and Gutter, Footpaths

- Basis of valuation: Fair Value / Written down current replacement cost

- Date of valuation: 1 July 2016.

- Tonkins Consulting, Rod Ellis, FIEAust CPEng

###### Stormwater Drainage & CWMS

- Basis of valuation: Fair Value / Written down current replacement cost

- Date of valuation: 1 July 2014

- Valuer: Office of the Valuer General / Valuer Name, Qualifications, Title, Company / Council valuation

###### Plant, Furniture & Equipment

These assets are recognised on the cost basis

###### All other Assets

These assets are recognised on the cost basis

#### Note 8. Liabilities

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
Goods & Services		256	-	254	-
Payments Received in Advance		2	-	1	-
Accrued Expenses - Finance Costs		13	-	12	-
<b>Total Trade and Other Payables</b>		<b>271</b>	<b>-</b>	<b>267</b>	<b>-</b>

##### (a). Trade and Other Payables

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 8. Liabilities (continued)

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
<b>(b). Borrowings</b>					
Loans		212	706	287	592
<b>Total Borrowings</b>		<b>212</b>	<b>706</b>	<b>287</b>	<b>592</b>

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

#### (c). Provisions

Employee Entitlements (including oncosts)	425	47	363	54
Future Reinstatement / Restoration, etc	126	-	126	-
<b>Total Provisions</b>	<b>551</b>	<b>47</b>	<b>489</b>	<b>54</b>

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date  
Future Reinstatement / Restoration, etc

- 126

#### Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
<b>(a). Asset Revaluation Reserve</b>					
Land - Community	8,123	-	-	-	8,123
Land - Other	3,912	-	-	-	3,912
Buildings & Other Structures	12,211	-	-	-	12,211
Infrastructure					
- Roads, Footpaths, Kerb & Gutter	17,916	-	-	-	17,916
- Stormwater Drainage	1,978	-	-	-	1,978
- CWMS	6,630	-	-	-	6,630
<b>Total Asset Revaluation Reserve</b>	<b>50,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,770</b>
<b>Comparatives</b>	<b>49,412</b>	<b>1,358</b>	<b>-</b>	<b>-</b>	<b>50,770</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 9. Reserves (continued)

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
<b>(b). Other Reserves</b>					
CWMS	480	339	-	-	819
Open Space	39	-	-	-	39
<b>Total Other Reserves</b>	<b>519</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>858</b>
<b>Comparatives</b>	<b>511</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>519</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

##### 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.

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2018	2017
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.			
<b>Cash &amp; Financial Assets</b>			
<b>Unexpended amounts received from Federal Government</b>			
Open Space Contributions		39	39
CWMS Reserve		819	480
<b>Total Cash &amp; Financial Assets</b>		<b>858</b>	<b>519</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>		<b>858</b>	<b>519</b>

## Barunga West Council

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

### Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
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#### (a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	2,168	1,851
Less: Short-Term Borrowings	8	-	-
<b>Balances per Statement of Cash Flows</b>		<b>2,168</b>	<b>1,851</b>

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

<b>Net Surplus/(Deficit)</b>		<b>361</b>	<b>371</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,428	1,421
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(210)	-
Net (Gain) Loss on Disposals		60	64
		<b>1,639</b>	<b>1,856</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(97)	67
Net (Increase)/Decrease in Inventories		(29)	(64)
Net Increase/(Decrease) in Trade & Other Payables		4	(44)
Net Increase/(Decrease) in Unpaid Employee Benefits		55	40
<b>Net Cash provided by (or used in) operations</b>		<b>1,572</b>	<b>1,855</b>

#### (c). Financing Arrangements

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

Corporate Credit Cards	-	12
LGFA Cash Advance Debenture Facility	-	500

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

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
<b>\$ '000</b>										
Business Undertakings	352	313	157	175	195	138	-	-	1,066	2,353
Community Services	35	38	204	239	(169)	(201)	1	1	1,592	2,028
Economic Affairs	-	-	75	75	(75)	(75)	-	-	-	-
Protection of the Environment	-	1	56	68	(56)	(67)	-	-	989	1,448
Sport & Recreation	33	35	580	540	(547)	(505)	-	-	11,969	13,544
Regulatory Services	61	37	134	75	(73)	(38)	-	-	235	240
Transport & Communication	545	808	2,125	2,206	(1,560)	(1,398)	545	740	21,839	20,959
Plant Hire & Depot/Indirect	47	46	209	217	(162)	(171)	-	-	1,965	1,583
Council Administration	4,358	4,355	913	911	3,445	3,444	344	526	6,947	4,352
Public Order & Safety	-	-	10	11	(10)	(11)	-	-	-	-
Health	3	-	30	35	(27)	(35)	-	-	-	-
Housing & Community	526	467	1,108	1,015	(582)	(548)	22	-	6,407	6,043
Mining & Construction	-	-	156	125	(156)	(125)	-	-	-	-
Other Purposes	202	211	194	184	8	27	-	27	-	-
<b>Total Functions/Activities</b>	<b>6,162</b>	<b>6,311</b>	<b>5,951</b>	<b>5,876</b>	<b>211</b>	<b>435</b>	<b>912</b>	<b>1,294</b>	<b>53,009</b>	<b>52,550</b>

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

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 12b. Components of Functions

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\$ '000

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The activities relating to Council functions are as follows:

**BUSINESS UNDERTAKINGS**

Caravan Parks, Gravel Pits/Quarries, Off-street Car Parks – fee paying, Private Works, Sewerage/CWMS, Rural Transaction Centres, Post Offices

**COMMUNITY SERVICES**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Community Support, Elderly Citizens Facilities, Other Services for the Aged and Disabled, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**ECONOMIC AFFAIRS**

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

**PROTECTION OF THE ENVIRONMENT**

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

**SPORT AND RECREATION**

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

**REGULATORY SERVICES**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

**TRANSPORT AND COMMUNICATION**

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

**COUNCIL ADMINISTRATION**

Governance, Administration 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 AND 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.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 12b. Components of Functions (continued)

\$ '000

**HOUSING AND COMMUNITY**

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

**MINING AND CONSTRUCTION**

Building Control, Town Planning, Land Development, Land Management.

**OTHER PURPOSES**

Private Works.

Note 13. Financial Instruments

\$ '000

**Recognised Financial Instruments**

**Bank, Deposits at Call, Short Term Deposits**

**Accounting Policy:**

Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & Conditions:**

Deposits are returning fixed interest rates between 1.50% and 2.25% (2017: 1.50% and 1.75%). Short term deposits have an average maturity of 30 days and an average interest rate of 1.50% (2017: 30 days and 2.00%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

**Receivables**

**Rates & Associated Charges**

(including legals & penalties for late payment)

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 2.56% (2017: 2.56%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

**Recognised Financial Instruments**

**Receivables**

**Fees & Other Charges**

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables**

**Other Levels of Government**

**Accounting Policy:**

Carried at nominal value.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying Amount:**

Approximates fair value.

**Receivables**

**Retirement Home Contributions**

**Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Liabilities**

**Creditors and Accruals**

**Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

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\$ '000

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**Recognised Financial Instruments**

**Liabilities**

**Retirement Home Contributions**

**Accounting Policy:**

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

**Terms & Conditions:**

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

**Carrying Amount:**

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

**Liabilities**

**Interest Bearing Borrowings**

**Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable semi annually; interest is charged at fixed rates between 3.60% and 8.07% (2017: 4.65% and 8.07%).

**Carrying Amount:**

Approximates fair value.

**Liabilities**

**Finance Leases**

**Accounting Policy:**

Accounted for in accordance with AASB 117.

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2018</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,168	-	-	2,168	2,168
Receivables	291	-	-	291	292
<b>Total Financial Assets</b>	<b>2,459</b>	<b>-</b>	<b>-</b>	<b>2,459</b>	<b>2,460</b>
<b>Financial Liabilities</b>					
Payables	272	-	-	272	271
Current Borrowings	261	-	-	261	212
Non-Current Borrowings	-	663	139	802	706
<b>Total Financial Liabilities</b>	<b>533</b>	<b>663</b>	<b>139</b>	<b>1,335</b>	<b>1,189</b>
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,851	-	-	1,851	1,851
Receivables	251	-	-	251	210
<b>Total Financial Assets</b>	<b>2,102</b>	<b>-</b>	<b>-</b>	<b>2,102</b>	<b>2,061</b>
<b>Financial Liabilities</b>					
Payables	267	-	-	267	267
Current Borrowings	340	-	-	340	287
Non-Current Borrowings	-	386	260	646	592
<b>Total Financial Liabilities</b>	<b>607</b>	<b>386</b>	<b>260</b>	<b>1,253</b>	<b>1,146</b>

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.04%	918	6.85%	879
		<b>918</b>		<b>879</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 Council.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

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\$ '000

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**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.

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 14. Commitments for Expenditure

\$ '000	Notes	2018	2017
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Buildings		-	27
		-	<b>27</b>
<b>These expenditures are payable:</b>			
Not later than one year		-	27
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		-	<b>27</b>
<b>(b). Other Expenditure Commitments</b>			
<b>Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		45	60
Waste Management Services		191	382
Employee Remuneration Contracts		1,250	1,014
Other - Various		63	77
		<b>1,549</b>	<b>1,533</b>
<b>These expenditures are payable:</b>			
Not later than one year		602	551
Later than one year and not later than 5 years		947	982
Later than 5 years		-	-
		<b>1,549</b>	<b>1,533</b>

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 15. Financial Indicators

\$ '000	Amounts 2018	Indicator 2018	Prior Periods	
			2017	2016

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.

#### 1. Operating Surplus Ratio

Operating Surplus	211			
Total Operating Income	6,162	3%	7%	0%

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(745)			
Total Operating Income	6,162	(12%)	(7%)	11%

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.*

#### Adjustments to Ratios

*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*

<b>Adjusted Operating Surplus Ratio</b>		(1%)	3%	0%
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<b>Adjusted Net Financial Liabilities Ratio</b>		(7%)	(3%)	11%
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#### 3. Asset Sustainability Ratio

Net Asset Renewals	510			
Infrastructure & Asset Management Plan required expenditure	1,400	36%	41%	49%

*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.*

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>-20%</td> </tr> <tr> <td>2016</td> <td>0%</td> </tr> <tr> <td>2017</td> <td>7%</td> </tr> <tr> <td>2018</td> <td>3%</td> </tr> </tbody> </table>	Year	Ratio %	2015	-20%	2016	0%	2017	7%	2018	3%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2017/18 Result</b></p> <p><b>2017/18 Ratio 3%</b></p> <p>The operating surplus is within acceptable range according to Council's Long Term Financial Plan.</p>
Year	Ratio %											
2015	-20%											
2016	0%											
2017	7%											
2018	3%											
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>25%</td> </tr> <tr> <td>2016</td> <td>11%</td> </tr> <tr> <td>2017</td> <td>-7%</td> </tr> <tr> <td>2018</td> <td>-12%</td> </tr> </tbody> </table>	Year	Ratio %	2015	25%	2016	11%	2017	-7%	2018	-12%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2017/18 Result</b></p> <p><b>2017/18 Ratio -12%</b></p> <p>A negative value indicates that Council is holding more cash and investments (current assets) than payables and provisions (current liabilities). This ratio has improved for the last 4 years.</p>
Year	Ratio %											
2015	25%											
2016	11%											
2017	-7%											
2018	-12%											
<p><b>Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>-11%</td> </tr> <tr> <td>2016</td> <td>0%</td> </tr> <tr> <td>2017</td> <td>3%</td> </tr> <tr> <td>2018</td> <td>-1%</td> </tr> </tbody> </table>	Year	Ratio %	2015	-11%	2016	0%	2017	3%	2018	-1%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2017/18 Result</b></p> <p><b>2017/18 Ratio -1%</b></p> <p>This chart takes out from the Operating Surplus the \$292,000 Grants Commission prepayment of Councils 2018/19 grant allocation.</p>
Year	Ratio %											
2015	-11%											
2016	0%											
2017	3%											
2018	-1%											
<p><b>Adjusted Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>25%</td> </tr> <tr> <td>2016</td> <td>11%</td> </tr> <tr> <td>2017</td> <td>-3%</td> </tr> <tr> <td>2018</td> <td>-7%</td> </tr> </tbody> </table>	Year	Ratio %	2015	25%	2016	11%	2017	-3%	2018	-7%	<p><b>Purpose of Adjusted Net Financial Liabilities Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p><b>Commentary on 2017/18 Result</b></p> <p><b>2017/18 Ratio -7%</b></p> <p>This chart takes out from the Net financial Liabilities Ratio the \$292,000 Grants Commission prepayment of Councils 2018/19 grant allocation.</p>
Year	Ratio %											
2015	25%											
2016	11%											
2017	-3%											
2018	-7%											
<p><b>3. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>49%</td> </tr> <tr> <td>2016</td> <td>49%</td> </tr> <tr> <td>2017</td> <td>41%</td> </tr> <tr> <td>2018</td> <td>36%</td> </tr> </tbody> </table>	Year	Ratio %	2015	49%	2016	49%	2017	41%	2018	36%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2017/18 Result</b></p> <p><b>2017/18 Ratio 36%</b></p> <p>Council is using depreciation expense as a proxy, the Road Infrastructure renewal program has fluctuated significantly in each of the last few years due to continuing review of road categories.</p>
Year	Ratio %											
2015	49%											
2016	49%											
2017	41%											
2018	36%											

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	6,162	6,311
less Expenses	(5,951)	(5,876)
<b>Operating Surplus / (Deficit)</b>	<b>211</b>	<b>435</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(519)	(596)
add back Depreciation, Amortisation and Impairment	1,428	1,421
add back Proceeds from Sale of Replaced Assets	9	17
<b>Subtotal</b>	<b>918</b>	<b>842</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,000)	(164)
add back Amounts Received Specifically for New and Upgraded Assets	210	-
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
<b>Subtotal</b>	<b>(790)</b>	<b>(164)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>339</b>	<b>1,113</b>

#### 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.

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

Not later than one year	131	130
Later than one year and not later than 5 years	528	526
Later than 5 years	1,125	1,145
	<b>1,784</b>	<b>1,801</b>

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 18. Superannuation

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\$ '000

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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 2017/18; 9.50% in 2016/17). 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 2016/17) 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, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

##### **Contributions to Other Superannuation Schemes**

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

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 19. Interests in Other Entities

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\$ '000

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Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

#### Note 20. Non-Current Assets Held for Sale & Discontinued Operations

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Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

#### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

##### 1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,056 km of road reserves of average width 8 metres.

##### 2. POTENTIAL INSURANCE LOSSES

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

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

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

##### 3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$76,803 (2017: \$82,722) at reporting date.

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

##### 4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 22. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 17/10/18.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

#### Note 23. Related Party Transactions

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\$ '000	2018	2017
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##### Key Management Personnel

###### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 12 persons were paid the following total compensation:

###### The compensation paid to Key Management Personnel comprises:

Salaries and other short term benefits	410	352
Allowances	72	71
Other - Rent Allowance	8	8
<b>Total</b>	<u>490</u>	<u>431</u>

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

###### Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	-	3
Rentals for Council property	11	11
<b>Total</b>	<u>11</u>	<u>14</u>

## Barunga West Council

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

#### Note 24. Segment Reporting

\$ '000	Notes	2018 Total Council	2018 CWMS	2018 Council Other
<b>INCOME STATEMENT</b>				
<b>Operating Income</b>				
Rates	2a	4,497	393	4,104
Statutory Charges	2b	84	-	84
User Charges	2c	471	4	467
Grants, Subsidies and Contributions	2g	912	-	912
Investment Income	2d	49	6	43
Reimbursements	2e	35	-	35
Other Income	2f	114	-	114
<b>Total Operating Income</b>		<b>6,162</b>	<b>403</b>	<b>5,759</b>
<b>Operating Expenses</b>				
Employee Costs	3a	2,014	-	2,014
Materials, Contracts & Other Expenses	3b	2,448	117	2,331
Depreciation, Amortisation & Impairment	3c	1,428	108	1,320
Finance Costs	3d	61	9	52
<b>Total Operating Expenses</b>		<b>5,951</b>	<b>234</b>	<b>5,717</b>
<b>Operating Surplus / (Deficit)</b>		<b>211</b>	<b>169</b>	<b>42</b>
<b>Capital Revenues</b>		<b>150</b>	<b>-</b>	<b>150</b>
<b>Net Surplus / (Deficit)</b>		<b>361</b>	<b>169</b>	<b>192</b>
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Current Assets	5 & 20	2,636	400	2,236
Infrastructure, Property, Plant & Equipment	7a	50,302	5,784	44,518
Other Non-Current Assets	6	71	-	71
<b>TOTAL ASSETS</b>		<b>53,009</b>	<b>6,184</b>	<b>46,825</b>
<b>Liabilities</b>				
Current Liabilities	8 & 20	1,034	66	968
Non-Current Liabilities	8	753	-	753
<b>TOTAL LIABILITIES</b>		<b>1,787</b>	<b>66</b>	<b>1,721</b>
<b>Net Assets</b>		<b>51,222</b>	<b>6,118</b>	<b>45,104</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

Note 25. Material Budget Variations

\$ '000

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual Results for the year as per the Income Statement - even though such variations may have been adjusted for during each Budget Review.

Note that for Variations\* of Budget to Actual :

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable Budget Variation, U = Unfavourable Budget Variation

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
<b>REVENUES</b>					
Rates Revenues	4,489	4,497	8	0%	F
Statutory Charges	62	84	22	35%	F
Town Planning fees were higher than anticipated					
User Charges	408	471	63	15%	F
Caravan Park income and Cemetery Fees higher than anticipated					
Grants, Subsidies & Contributions	688	912	224	33%	F
50% of the 2018/19 Financial Assistance Grant was pre-paid in 2017/18					
Investment Income	27	49	22	81%	F
Cash and Investment holdings remained higher than originally budgeted					
Reimbursements	37	35	(2)	(5%)	U
Other Income	59	114	55	93%	F
Council replaced 2 septic tanks under the Health Act and charged the owner.					
<b>EXPENSES</b>					
Employee Costs	1,888	2,014	126	7%	F
Materials, Contracts & Other Expenses	2,491	2,448	(43)	(2%)	U
Depreciation, Amortisation & Impairment	1,562	1,428	(134)	(9%)	U
Finance Costs	61	61	-	0%	F
<b>CAPITAL REVENUES / EXPENSES</b>					
Asset Disposal & Fair Value Adjustments	-	(60)	(60)	0%	U
Amounts Received for New/Upgraded Assets	-	210	210	0%	F

## Barunga West Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2018

#### Note 26. Council Information & Contact Details

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##### **Principal Place of Business:**

11 Bay Street  
Port Broughton SA 5522

##### **Contact Details**

##### **Mailing Address:**

PO Box 3  
Port Broughton SA 5522

##### **Opening Hours:**

8:30am - 5:00pm

**Telephone:** 08 8635 2107

**Facsimile:** 08 8635 2596

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

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

##### **Officers**

##### **CHIEF EXECUTIVE OFFICER**

Andrew John Cole

##### **AUDITORS**

Galpins

##### **Other Information**

**ABN:** 90 193 502 387

##### **Elected Members**

##### **MAYOR**

Cynthia Axford

##### **COUNCILLORS**

Deputy Mayor Dean Dolling

Cr Margaret McDonald

Cr Leonie Kerley

Cr Georgie Simmons

Cr Michelaine Barker

Cr James Bettess

Cr Malcolm McDonald

Cr Gregory Winen



## Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5290  
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## Stirling

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E: stirling@galpins.com.au

## Norwood

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W: www.galpins.com.au

ABN: 30 630 511 757

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### To the members of the Barunga West Council

#### Opinion

We have audited the accompanying financial report of the Barunga West Council (the Council), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Barunga West Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Council's Responsibility for the Financial Report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Report**

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

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Luke Williams** CA, CPA Registered Company Auditor  
Partner

1 / 11 / 2018

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Barunga West Council

**Independent Assurance report on the Internal Controls of the Barunga West Council**

### Opinion

We have audited the compliance of the Barunga West Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

In our opinion, the Barunga West Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

### Our Independence and Quality Control

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

### The Council's Responsibility for Internal controls

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



CHARTERED ACCOUNTANTS™  
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### **Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

### **Limitations of Controls**

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

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

### **Limitation of Use**

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

## **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Luke Williams** CA, CPA Registered Company Auditor  
Partner

1 / 11 / 2018

## Barunga West Council

### General Purpose Financial Statements for the year ended 30 June 2018

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Barunga West Council for the year ended 30 June 2018, the Council's Auditor, Galpins 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: 23/10/2018

## Barunga West Council

### General Purpose Financial Statements for the year ended 30 June 2018

#### Statement by Auditor

I confirm that, for the audit of the financial statements of Barunga West Council for the year ended 30 June 2018, 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*.



**Luke Williams**  
**Galpins**

Dated this *16* day of *October* 2018.

# *Lifestyle for the future*



Photograph supplied by Lesley Little

## **Appendix B** *Legatus Group Annual Report 2017/18*

# *Legatus Group Annual Report 2017/18*



## 2017/2018 ANNUAL REPORT

This report was adopted at the Legatus Group Annual General Meeting of Friday 17 August 2018.

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

### **The Legatus Group is a regional subsidiary of:**

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

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the Central Local Government Region of South Australia adopted the name of Legatus Group to which it is referred. The Legatus Group is established to:

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

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

**Contact Details:** Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453 Telephone: 08 88422222 Email: [ceo@legatus.sa.gov.au](mailto:ceo@legatus.sa.gov.au) Website: [www.legatus.sa.gov.au](http://www.legatus.sa.gov.au)

**Legatus Group Board of Management:** The Board consists of all principal members of the Constituent Councils which for 2017/2018 were:

<b>Council</b>	<b>Delegate</b>
<b>Adelaide Plains Council</b>	<b>Mayor Tony Flaherty</b>
<b>Barunga West Council</b>	<b>Mayor Cynthia Axford</b>
<b>Clare &amp; Gilbert Valleys Council</b>	<b>Mayor Allan Aughey OAM</b>
<b>Copper Coast Council</b>	<b>Mayor Paul Thomas AM</b>
<b>District Council of Mount Remarkable</b>	<b>Mayor Colin Nottle</b>
<b>District Council of Orroroo Carrieton</b>	<b>Chairman Kathie Bowman</b>
<b>District Council of Peterborough</b>	<b>Mayor Ruth Whittle OAM</b>
<b>Light Regional Council</b>	<b>Mayor Bill O'Brien</b>
<b>Northern Areas Council</b>	<b>Mayor Denis Clark</b>
<b>Port Pirie Regional Council</b>	<b>Mayor John Rohde</b>
<b>Regional Council of Goyder</b>	<b>Mayor Peter Matthey</b>
<b>The Barossa Council</b>	<b>Mayor Bob Sloane</b>
<b>The Flinders Ranges Council</b>	<b>Mayor Peter Slattery</b>
<b>Wakefield Regional Council</b>	<b>Mayor Rodney Reid</b>
<b>Yorke Peninsula Council</b>	<b>Mayor Ray Agnew OAM</b>

### **Office Bearers for 2017/18**

<b>Chairman:</b>	<b>Mayor Peter Matthey</b>
<b>Deputy Chairs:</b>	<b>Mayor Denis Clark Mayor Bob Sloane</b>
<b>Delegate to the LGA Board representing the Central Region of the LGA Constitution</b>	<b>Mayor Denis Clark Mayor Peter Matthey Cr Michael (Bim) Lange (Deputy Member)</b>
<b>South Australian Regional Organisation of Councils</b>	<b>Mayor Peter Matthey Mayor Denis Clark Mayor Bob Sloane (Deputy Member)</b>
<b>Chief Executive Officer:</b>	<b>Mr Simon Millcock</b>
<b>Auditor:</b>	<b>Mr Ian G. McDonald FCA</b>

### **Meetings of the Legatus Group**

The following meetings of the Board of Management were held during the 2017/18 year:

- Special Meeting 22 August 2017
- Annual General Meeting 8 September 2017
- Ordinary Meeting 8 September 2017
- Ordinary Meeting 17 November 2017
- Ordinary Meeting 16 February 2018
- Ordinary Meeting 25 May 2018

**There were three committees in 2017/2018**

Committee	Members	Meeting Dates
Audit Committee	<ul style="list-style-type: none"> <li>• Mayor Ray Agnew (Chair)</li> <li>• Chair Kathie Bowman</li> <li>• Mayor Colin Nottle</li> <li>• Dr Andrew Johnson (till 25/5/18)</li> <li>• Mr Colin Davies</li> <li>• Mr Peter Ackland (from 25/5/18)</li> </ul>	10 August 2017 1 February 2018 20 April 2018
Management Group (Council CEOs)	<ul style="list-style-type: none"> <li>• Mr Colin Byles (Northern Areas) (Chair)</li> <li>• Mr James Miller (Adelaide Plains)</li> <li>• Mr Martin McCarthy (Barossa)</li> <li>• Mr Andrew Cole (Barunga West)</li> <li>• Mr John Coombe replaced Mrs Helen Macdonald (Clare &amp; Gilbert Valleys)</li> <li>• Mr Peter Harder (Copper Coast)</li> <li>• Mr Colin Davies (Flinders Ranges)</li> <li>• Mr David Stevenson (Goyder)</li> <li>• Mr Brian Carr (Light)</li> <li>• Mr Wayne Hart (Mt Remarkable)</li> <li>• Mr Stephen Rufus replaced by Mr Kristen Clark (Orroroo/Carrieton)</li> <li>• Mr Peter McGuinness (Peterborough)</li> <li>• Dr Andrew Johnson replaced by Mr Peter Ackland (Pirie Regional)</li> <li>• Mr Jason Kuchel (Wakefield)</li> <li>• Mr Andrew Cameron (Yorke Peninsula)</li> </ul>	4 August 2017 3 November 2017 2 February 2018 5 May 2018
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> <li>• Lee Wallis (Goyder)</li> <li>• Peter Porch (Northern Areas)</li> <li>• Colin Davies (Flinders Ranges)</li> <li>• Jo-Anne Buchanan (RDA Yorke Mid North)</li> <li>• Steve Kaesler (Barossa)</li> <li>• Trevor Graham (Yorke Peninsula)</li> <li>• Martin Waddington replaced by Tom Jones (Adelaide Plains)</li> <li>• Steve Watson (Clare &amp; Gilbert Valleys)</li> <li>• Mike Wilde (Department of Planning, Transport and Infrastructure)</li> </ul>	13 March 2018 30 April 2018

## **Chairman's Report**

It has been my pleasure to serve as Chairman in 2017/18 and I would like to take this opportunity to report on some of the highlights of the year.

We developed reports on a series of key regional state-wide issues including rubble royalties, rating equity, coastal inundation and impacts of the NDIS on local government. These have all been progressed to the South Australian Regional Organisation of Councils (SAROC). Legatus is seen as leader in regional SA having gained support across the state on these topics and ensuring that local government is taking a collaborative evidence-based approach. It is an example of how the LGA can work closely with regions in a support role.

Whilst yet to see the tangible results, the ground work undertaken has ensured that the LGA have the material required to represent the interests of regional SA councils. I am pleased to see that they have engaged with the new State Government to remove the rubble royalties that have been a major impost to many councils.

This year has seen us actively involved in the issues around LGA membership fees and the LGA constitutional changes. It should be noted that Legatus has been active in representing members; as we raised our concerns to both SAROC and to the LGA Board. Given the amount of time and expense for regional councils to attend meetings in Adelaide; I was unsatisfied with the outcome in relation to membership fees, and extremely disappointed at the limited consultation afforded to the regions.

Whilst it was disappointing to see that the Regional Procurement Business Plan was not adopted I acknowledge that this is the current thoughts of members. This led to a review of our strategic plan and we adopted an updated strategic plan and 3-year action plan.

The Road and Transport Infrastructure Advisory Committee developed a robust assessment of this years SLRP funding applications, and their work on prioritising and providing feedback has resulted in just under \$2m being allocated for five projects.

The region has been proactive in supporting the challenges and changing environment though the release of the Climate Change guide for South Australia councils, and the signing of the Sector Agreement for the Climate Change Adaptation Plan.

Our effort to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards in our region; resulted in the development of the Yorke and Mid North Regional Road Map, Yorke Regional Planning Forum and the South Australian Regional Development Conference. The progress of the three emerging leader programs undertaken in partnership with RDA Yorke Mid North was heartening to see and I am sure several projects will result from these emerging leaders in our region.

Our Charter was reviewed, and there were minor amendments made, and I'm pleased that the Audit and Risk Management Group Committee through the development of a work plan have assisted us in improving our governance. There has been valuable feedback gained from the Legatus Group Management Group meetings that have included a series of workshops and information sharing opportunities by and for the CEOs.

Phase 1 of the Regional Transport Plan 2030 was completed, and this work has formed the basis of phase 2 and that is to undertake the road deficiencies report of the significant regional local road. Securing funding for the 2-year Joint CWMS program has commenced with some positive results for the region, and I am looking forward to following the progress of this project.

Following the State Government election, we commenced dialogue with the six State Government Members of Parliament, and will continue to undertake greater interaction, given that two of these MPs are also Ministers.

In closing I would like to thank everyone who has taken a proactive role in progressing the region, and thank both Mayor Denis Clark and Mayor Bob Sloane for your roles as Deputy Chairs and your contributions at SAROC and the LGA.

Mayor Peter Matthey Chairman Legatus Group

## CEO Report

In 2017-2018 the Legatus Group CEO undertook a more sub-regional approach to operations and support, due to geographical size and the number of constituent councils, this approach included both geographical and communities of interest. Along with the Legatus Group Board meetings which involved topical presentations, the Legatus Group CEOs meet for training and networking sessions coordinated through the Legatus Group CEO.

Meetings were held with each constituent council during the year on at least one occasion, and this took the form of either one on one meetings with Mayor and CEO, presentations at full council meetings or workshops with full councils.

The Legatus Group was active in consultation around the new fee structure for LGA membership, the changes to the LGA constitution and efforts to progress a regional approach for the Murray Darling Association. This included securing funding from the LGA to Regional LGAs for outreach and capacity building programs to continue in 2018/2019.

The Legatus Group took a leadership role in developing state-wide approaches through working with SAROC, constituent councils and other regional bodies including:

1. Regional LGAs:
  - a. Coastal Council Alliance
  - b. Shorebird Alliance
  - c. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia
  - d. Socio-Economic impacts from the NDIS on regional local governments
  - e. Rubble Royalties
2. Regional Development Australia (RDA) Yorke Mid North:
  - a. 3 x Emerging Leaders Program
  - b. RDSA Conference
3. Yorke Mid North Alliance:
  - a. Yorke Mid North Regional Forum
  - b. Climate Change
  - c. Yorke Mid North Regional Roadmap

This report does not provide the detail on these reports, but copies can be found on the Legatus Group website.

In July 2017 a Legatus Group Procurement Business Plan was developed and distributed to all constituent councils. This resulted in the Legatus Group Special General meeting of 22 August 2017 and decision that the Legatus Group Procurement Business Plan not progress.

A significant amount of the Legatus Group CEO's time was taken up with planning, as there had been no business plan developed for 2017/2018 in line with the Legatus Group Charter. Upon commencing employment in June 2017, the Legatus Group CEO developed a draft business plan which was distributed to all constituent councils. Following recommendation from the Audit and Risk Management Committee the Legatus Group September meeting sought a review of this draft business plan.

The CEO was requested to undertake a review of the Legatus Group Future Directions (strategic plan). This included a comprehensive review of the Long-Term Financial Plan, and in partnership with the Constituent Councils to develop a 10-year Strategic Plan, including a 3-year Action Plan. The review was to include an external facilitator for workshops with the Board and the Constituent Councils CEO's on the future direction of the Legatus Group.

The 2017/2018 business plan was subsequently endorsed by constituent councils and the review of the Strategic Plan was completed. The Legatus Group endorsed a Legatus Group Strategic Plan 2018-2028 and 3-year Action Plan July 2018 - June 2011 and the 2018/2019 budget and business plan.

The Legatus Group continues to be in a healthy financial position with the accumulated surplus and reserves at 30 June 2018 of over \$820,000. This matter was discussed by both the Audit and Risk Management

Committee and the Legatus Group February meetings noting that an allowance for the accumulated surplus and reserves be set as a minimum of \$480,000.

Consideration on these funds should wait upon the decisions of the LGA regarding the new constitution and SAROC budgets for funding of Regional LGAs which is not yet clear. There may be the opportunity for utilising some of these funds to securing funding from other sources and for projects aligned with Legatus Group strategic directions. Due to the levels of uncertainty this was not factored into the 2018/2019 business plan for constituent council's consideration.

All grants were acquitted, and all reporting provided.

### Summary of Outcomes

#### Education and Training

Workshops held in various locations following consultation with Legatus Group Board, Chair, CEO's and Officers and included:

1. Regional Business Incubators, Enterprise Centre and Co-Working Space Workshop
2. Community Wastewater Management workshops – resulted in an allocation of \$50,000 from the LGA for 2 years for a Joint CWMS Service Arrangements and contracting of part time project officer
3. Climate Change Adaptation - resulted in launch of Climate Change guide for South Australia councils to develop regional climate change adaptation plans
4. State Planning Commission
5. Brand SA Regional Showcase
6. Yorke and Mid North Regional Planning Day – held in Port Pirie with over 120 attendees
7. Regional Development South Australia Conference and master class on population growth – held in Kadina with over 130 attendees
8. National Disability Insurance Scheme – resulted in \$23,100 grant LGA R&D
9. State Public Health Plan – assisted with regional health plans and EOI for well being progressed by the LGA for Community Wellbeing Alliance Trials
10. Local Government Professionals
11. Benchmarking Project, Code of Conduct and Governance Panel
12. Small Business Friendly Local Government Charter Program
13. Data gathering
14. Digital maturity local governments – resulted in LGA R&D application being developed

#### Board Governance and Operations

1. Review of the Legatus Strategic Plan resulting in a new Strategic Plan, 3-year action plan and long term financial plan
2. Charter reviewed and amended
3. Annual work plan developed and adopted
4. Website updated

#### Local Government Leadership and Sustainability

1. Lead taken in:
  - a. Rubble Royalties report with recommendations to LGA Board adopted – letter sent by LGA to Treasurer and other Ministers for exempting councils from this payment
  - b. Coastal Council Alliance report with recommendations to LGA Board adopted – R&D project application developed
  - c. Socio-economic impacts of NDIS report with recommendations to LGA Board adopted
  - d. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – secured \$21,700 from LGA R&D and Regional LGAs
2. Meetings held with 5 of the 6 Local State MP's after the 2018 State Govt Election

3. Signed and implemented Sector Agreement for the Climate Change Adaptation Plan for Yorke & Mid North Region including employing a project officer
4. Formal alliance with RDA Yorke and Mid North and Northern and Yorke NRM and informal working partnerships with RDA Far North and RDA Barossa, Light, Gawler and Adelaide Plains
5. Supported the LGA with the Emergency Management Planning funding allocation and expressed interest in hosting a regional emergency management officer – result workshops being held for council ready workshops
6. Supported the LGA for a regional wellbeing officer and expressed interest in hosting a regional wellbeing officer – resulted in EOI's being sought from LGA for Community Wellbeing Alliance Trials
7. Supported the development of a State-wide Shorebird Alliance including Terms of Reference
8. Developed a Regional Procurement Business Plan which ultimately was not adopted

#### **Regional and Community Sustainability**

1. Development and release of the Yorke and Mid North Regional Plan as a collaboration with RDA Yorke Mid North and Northern and Yorke NRM
2. Delivered in partnership with DSD and RDA YMN 3 Emerging Leadership programs – result over 50 participants and the development of a Legatus Group LGA R&D grant application for a Youth Volunteering project
3. Finalised phase I of the Legatus Group Regional Transport Plan and commenced on phase 2
4. Undertook prioritising of the SLRP for the Legatus Group region – securing just under \$2m for 5 of the 9 projects
5. Managed the inundation mapping project with the Yorke Peninsula and Barunga West Councils
6. Developed regional Legatus Group – community, transport, wastewater and climate change committees or working groups
7. Release of the regional climate change action plan and the development of an implementation plan
8. Working partnerships have been formed with:
  - a. Yorke Mid North Disability Workforce Hub – resulted in the development of a regional forum
  - b. Mid North Knowledge Partnership (Flinders University and Charles Darwin University) – resulted in MoU being progressed
  - c. Country Health SA PHN

#### **Benefits to constituent councils:**

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

#### **Benefits across the local government sector:**

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

**Observation:**

There is still a need for continued regional collaboration support and a recognition that the Regional LGAs can assist the LGA on regional issues. This will help reduce the perceptions of the LGA being too Greater Adelaide focussed, which appears to be slowly reduced by having informed and data driven understandings on regional issues.

There could be greater use of the Legatus Group CEO as a resource and use of skill sets including that of other regional LGA EO's across the various regional partnerships.

It is noted the complexity of gaining consensus from the constituent councils is that it is a time-consuming process and that there is desire to progress with sub-regional programs and projects, whilst being able to allow the full 15 constituent councils to be united voice and advocate.

Simon Millcock CEO Legatus Group

**The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2017-2018.**

The committee met on 3 occasions during 2017-2018 with the following attendance:

<b>Date</b>	<b>No of Members Attending</b>
10-Aug-17	5
1-Feb-18	4
20-Apr-18	3

<b>Committee Member</b>	<b>No of Meetings Attended</b>
Mayor Ray Agnew	2
Chairman Kathie Bowman	3
Mayor Colin Nottle	3
Colin Davies	3
Andrew Johnson	1 (following resignation as CEO Port Pirie Council)

The following table sets out the principal issues addressed by the Committee for 2017-18 year:

<b>Principal Issues Examined</b>	<b>Recommendations to Legatus Group</b>
Financial Report 2016-2017	No issues, unqualified audit, adopt
Review of budget against actuals	Noted the need for Legatus Group to endorse 2016-2017 adopted budget against actuals for annual financial report
Review of work plan, internal controls	Work planned developed
Charter	Variations to charter noted, recommended and adopted
Strategic Plan	Requested a review including of long term financial plan undertaken with recommendations for adoption
Budget	Noted the development of 2017-2018 budget did not comply with charter and ensured that 2018-2019 did

Mayor Ray Agnew Chairman Legatus Group Audit and Risk Management Committee

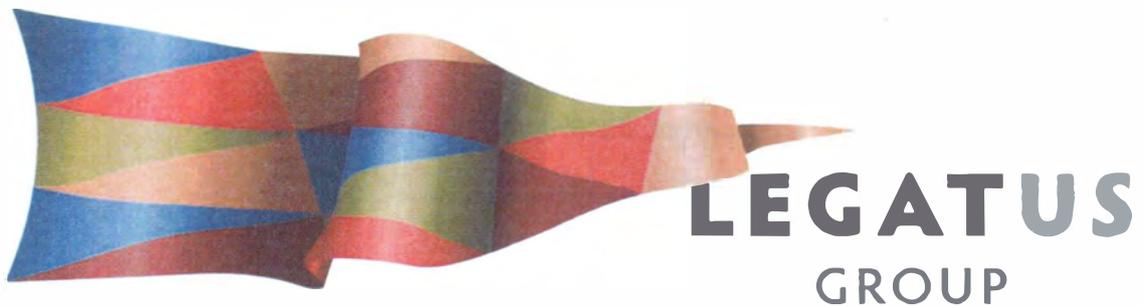
#### **Annual Financial Report**

The Legatus Group Annual General Meeting adopted the attached audited Legatus Group annual financial report statement for the year ending 30 June 2018.



Legatus Group  
adopted - Financial st

CENTRAL LOCAL GOVERNMENT  
REGION of SA  
trading as



Annual Financial  
Statements

For the financial year

July 1st 2017 – June 30th 2018

# LEGATUS GROUP

## General Purpose Financial Reports for the year ended 30 June 2018

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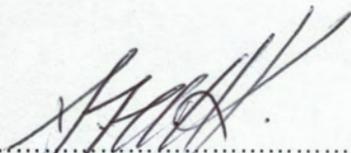
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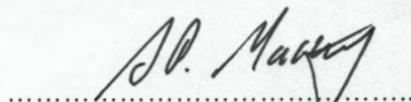
**LEGATUS GROUP**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018**

**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by the Group 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 Group's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

  
.....  
Simon Millcock  
**Chief Executive Officer**

  
.....  
Mayor Samuel Peter Matthey  
**President**

Date: 3/8/18

## LEGATUS GROUP

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
<b>INCOME</b>			
Grants, subsidies and contributions	2	345,527	348,889
Investment income	2	13,817	12,205
Reimbursements	2	4,545	25,105
Other income	2	196,398	194,538
<b>Total Income</b>		<u>560,287</u>	<u>580,737</u>
<b>EXPENSES</b>			
Employee costs	3	218,452	261,600
Materials, contracts & other expenses	3	230,102	279,405
Depreciation, amortisation & impairment	3	6,311	9,487
Finance costs	3	-	24
<b>Total Expenses</b>		<u>454,865</u>	<u>550,516</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>105,422</u>	30,221
<b>NET SURPLUS / (DEFICIT)</b>		<u>105,422</u>	<u>30,221</u>
transferred to Equity Statement			
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>105,422</u>	<u>30,221</u>

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

## LEGATUS GROUP

### STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	808,876	719,859
Trade & other receivables	5	8,759	25,404
<b>Total Current Assets</b>		<u>817,635</u>	<u>745,263</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	17,488	23,799
<b>Total Non-current Assets</b>		<u>17,488</u>	<u>23,799</u>
<b>Total Assets</b>		<u>835,123</u>	<u>769,062</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	6,277	47,649
Provisions	8	7,037	5,214
<b>Total Current Liabilities</b>		<u>13,314</u>	<u>52,863</u>
<b>Non-current Liabilities</b>			
Provisions	8	360	172
<b>Total Non-current Liabilities</b>		<u>360</u>	<u>172</u>
<b>Total Liabilities</b>		<u>13,674</u>	<u>53,035</u>
<b>NET ASSETS</b>		<u>821,449</u>	<u>716,027</u>
<b>EQUITY</b>			
Accumulated Surplus		55,336	121,695
Other Reserves	9	766,113	594,332
<b>TOTAL EQUITY</b>		<u>821,449</u>	<u>716,027</u>

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

# LEGATUS GROUP

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2018	Notes	\$	\$	\$
Balance at end of previous reporting period		121,695	594,332	716,027
<b>Net Surplus / (Deficit) for Year</b>		105,422		105,422
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	(171,781)	171,781	-
<b>Balance at end of period</b>		<b>55,336</b>	<b>766,113</b>	<b>821,449</b>
<b>2017</b>				
Balance at end of previous reporting period		113,143	572,663	685,806
<b>Net Surplus / (Deficit) for Year</b>		30,221		30,221
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	(21,669)	21,669	-
<b>Balance at end of period</b>		<b>121,695</b>	<b>594,332</b>	<b>716,027</b>

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

# LEGATUS GROUP

## STATEMENT OF CASH FLOWS for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Investment receipts		13,419	12,205
Grants utilised for operating purposes		371,442	490,490
Reimbursements		5,000	15,400
Other revenues		194,450	188,416
<u>Payments</u>			
Employee costs		(217,537)	(266,402)
Materials, contracts & other expenses		(277,757)	(273,833)
Finance payments		-	(24)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>89,017</b>	<b>166,252</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(3,176)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>-</b>	<b>(3,176)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
<u>Payments</u>			
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>89,017</b>	<b>163,076</b>
Cash & cash equivalents at beginning of period	11	719,859	556,783
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>808,876</b>	<b>719,859</b>

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

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Basis of Preparation

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

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

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

#### 1.1 Historical Cost Convention

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

#### 1.2 The Local Government Reporting Entity

The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

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

All funds received and expended by the Group 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 Group 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 Group'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 Group's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

### 1.5 Property, Plant & Equipment

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

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Group 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	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

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 Group, best reflects the consumption of the service potential embodied in those assets.

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

Major depreciation periods for each class of asset are shown in Note 7.

### 1.6 Payables

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

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

### Employee Benefits

#### Salaries, Wages & Compensated Absences

The Group has one employee as at the 30<sup>th</sup> June 2018, a Chief Executive Officer. Liabilities for employee entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.25% (2017, 2.10%)
Weighted average settlement period	9 years (2017, 10 years)

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

### Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation fund for the Chief Executive Officer.

### 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.

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 2 - INCOME

	2018 \$	2017 \$
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority	13,741	12,117
Banks	76	88
	<u>13,817</u>	<u>12,205</u>
<b>REIMBURSEMENTS</b>		
- for Legal, Climate Change, USGRPG	4,545	25,105
	<u>4,545</u>	<u>25,105</u>
<b>OTHER INCOME</b>		
Council Contributions	162,750	159,545
Sundry	33,648	34,993
	<u>196,398</u>	<u>194,538</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Sundry	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
State government	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	366,006	221,570
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
A009 - Special Projects	-	(6,281)
P009 - Climate Change	-	(4,761)
P022 - Roads & Transport	(1,805)	-
P024 - Climate Change Co-ordinator 2015-17	(51,779)	-
P026 - Strategic Procurement	-	(31,100)
Subtotal	<u>(53,584)</u>	<u>(42,142)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
P022 - Roads & Transport	-	11,314
P024 - Climate Change Co-ordinator 2015-17	-	43,943
P025 - Outreach Stage 2	49,687	33,235
P028 - Regional Capacity Building	174,543	98,086
A009 - Special Projects	1,134	-
Subtotal	<u>225,364</u>	<u>186,578</u>
<i>Unexpended at the close of this reporting period</i>	<u>537,786</u>	<u>366,006</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>171,780</u>	<u>144,436</u>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 3 - EXPENSES

	2018	2017
	\$	\$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	162,958	209,804
Employee leave expense	16,780	15,991
Redundancy	5,385	-
Pay in Lieu of Notice	5,385	-
Superannuation	16,330	20,785
Workers' Compensation Insurance	2,262	2,550
CEO Relocation	1,239	3,761
Professional Development	649	1,007
FBT	7,464	7,702
<b>Total Operating Employee Costs</b>	<u>218,452</u>	<u>261,600</u>
<b>Total Number of Employees</b>	1	2
<i>(Full time equivalent at end of reporting period)</i>		
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,000	1,650
Subtotal - Prescribed Expenses	<u>2,000</u>	<u>1,650</u>
<u>Other Materials, Contracts &amp; Expenses</u>		
Contractors & Consultants	162,372	202,888
Legal Expenses	-	8,202
Unleaded Fuel	5,576	4,934
Members Allowances & Support	4,270	4,264
Meetings & Conferences	5,318	4,852
Insurance	7,750	7,624
Rental - Premises	16,477	10,581
Advertising	316	1,050
Accommodation	3,994	3,959
Airfares	499	2,157
Travel - Reimbursement	2,445	7,036
Catering & Meals	6,340	4,768
Telephone & Internet	6,870	4,434
Postage/Stationery/IT	3,875	5,586
Sundry	2,000	5,420
Subtotal - Other Materials, Contracts & Expenses	<u>228,102</u>	<u>277,755</u>
	<u>230,102</u>	<u>279,405</u>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Motor Vehicle	6,311	6,311
Computers & Software	-	3,176
	<u>6,311</u>	<u>9,487</u>
<b>FINANCE COSTS</b>		
Interest on bank account	-	24
	<u>-</u>	<u>24</u>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

2018	2017
Nil	Nil

### Note 5 - CURRENT ASSETS

#### CASH & EQUIVALENT ASSETS

Cash at Bank	3,590	77,915
Deposits at Call	805,286	641,944
	<u>808,876</u>	<u>719,859</u>

#### TRADE & OTHER RECEIVABLES

Accrued Revenues	3,085	2,687
Debtors - General	237	12,139
GST Recoupment	5,437	10,578
	<u>8,759</u>	<u>25,404</u>

### Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Nil	Nil
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# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Fair Value Level	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
<b>Note 7 - PLANT &amp; EQUIPMENT</b>								
Motor Vehicle	-	33,353	(9,554)	23,799	-	33,353	(15,865)	17,488
Computers & Software	-	3,948	(3,948)	-	-	-	-	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	-	37,301	(13,502)	23,799	-	33,353	(15,865)	17,488
<i>Comparatives</i>	-	<b>34,125</b>	<b>(4,015)</b>	<b>30,110</b>	-	<b>37,301</b>	<b>(13,502)</b>	<b>23,799</b>

	2017 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$							2018 \$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New /Upgrade	Renewals				In	Out		
<b>Note 7 - PLANT &amp; EQUIPMENT</b>										
Motor Vehicle	23,799	-	-	-	(6,311)	-	-	-	-	17,488
Computers & Software	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<b>23,799</b>	-	-	-	<b>(6,311)</b>	-	-	-	-	<b>17,488</b>
<i>Comparatives</i>	<b>30,110</b>	<b>3,176</b>	-	-	<b>(9,487)</b>	-	-	-	-	<b>23,799</b>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 8 - LIABILITIES

	2018		2017	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	-	-	23,399	-
Accrued expenses - employee entitlements	-	-	1,096	-
GST & PAYG	6,277	-	23,154	-
	<u>6,277</u>	<u>-</u>	<u>47,649</u>	<u>-</u>
<b>PROVISIONS</b>				
Employee entitlements (including oncosts)	7,037	360	5,214	172
	<u>7,037</u>	<u>360</u>	<u>5,214</u>	<u>172</u>

### Note 9 - RESERVES

OTHER RESERVES	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	15,341	1,134	-	16,475
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	37,892	-	(1,805)	36,087
4 P024-Climate Change Co-Ordinator 2015-17	63,472	-	(51,778)	11,694
5 P025-LG Outreach Phase 2	83,235	49,687	-	132,922
6 P027-LG Reform - Incentive Risk	144,000	-	-	144,000
7 P028-Regional Capacity Building	203,026	174,543	-	377,569
<b>TOTAL OTHER RESERVES</b>	<u>594,332</u>	<u>225,364</u>	<u>(53,583)</u>	<u>766,113</u>
<i>Comparatives</i>	<u>572,663</u>	<u>186,578</u>	<u>(164,909)</u>	<u>594,332</u>

#### PURPOSES OF RESERVES

##### (Other Reserves)

- 1 **A007-Special Projects**  
*LGA funded support programme*
- 2 **P003-Waste Management**  
*State Government funded technical support programme*
- 3 **P022-Roads & Transport**  
*Legatus funded programme - Regional Development Australia Freight Strategy*
- 4 **P024-Climate Change Co-ordinator 2015-17**  
*Regional Partners and State Government funded programme*
- 5 **P025-LG Outreach Phase 2**  
*LGA funded programme*
- 6 **P027-LG Reform - Incentive Risk**  
*CEO Performance fund*
- 7 **P028-Regional Capacity Building**  
*Region rubble royalty % returned for project allocation 2017/18 on*

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 10 - 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	2018 \$	2017 \$
Total cash & equivalent assets	5	<u>808,876</u>	<u>719,859</u>
Balances per Cash Flow Statement		<u>808,876</u>	<u>719,859</u>

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

Net Surplus (Deficit)		105,422	30,221
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		6,311	9,487
Net increase (decrease) in unpaid employee benefits		915	(4,802)
		<u>112,648</u>	<u>34,906</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		16,645	98,652
Net increase (decrease) in trade & other payables		(40,276)	32,694
<b>Net Cash provided by (or used in) operations</b>		<u>89,017</u>	<u>166,252</u>

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

#### (d) Financing Arrangements

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

Corporate Credit Cards	-	5,000
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### Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P015-Local Government Reform
- 3 P022-Roads & Transport
- 4 P024-Climate Change Co-Ordinator 2015-17
- 5 P025-LG Outreach Phase 2
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building

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

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

### Note 12 - FINANCIAL INSTRUMENTS

#### 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> Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2018</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Trade &amp; other debtors</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.</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 Group.</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>

#### Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
<b>Total</b>	<b>817,635</b>	<b>-</b>	<b>-</b>	<b>817,635</b>	<b>817,635</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>					
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	719,859	-	-	719,859	719,859
Receivables	25,404	-	-	25,404	25,404
<b>Total</b>	<b>745,263</b>	<b>-</b>	<b>-</b>	<b>745,263</b>	<b>745,263</b>
<b>Financial Liabilities</b>					
Payables	46,553	-	-	46,553	46,553
<b>Total</b>	<b>46,553</b>	<b>-</b>	<b>-</b>	<b>46,553</b>	<b>46,553</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 Group.

#### 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 Group is the carrying amount, net of any allowance for doubtful debts. All Group 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 Group'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 Group'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 Group 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.

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 13 - FINANCIAL INDICATORS

	2018	2017	2016
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

#### **Operating Surplus Ratio**

<u>Operating Surplus</u>	18.8%	5.2%	26.0%
Total Operating Income			

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

#### **Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	-143%	-119%	-135%
Total Operating Income			

*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>	0%	0%	0%
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.*

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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

	2018 \$	2017 \$
Income	560,287	580,737
Expenses	<u>(454,865)</u>	<u>(550,516)</u>
<b>Operating Surplus / (Deficit)</b>	<b>105,422</b>	<b>30,221</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	(3,176)
Add back Depreciation, Amortisation and Impairment	6,311	9,487
	<u>6,311</u>	<u>6,311</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Amounts received specifically for New and Upgraded Assets	-	-
	<u>-</u>	<u>-</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>111,733</u></b>	<b><u>36,532</u></b>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 15 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 3 persons were paid the following total compensation:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	149,999	157,411
Member Allowance	4,270	4,264
Post-employment benefits	14,250	14,954
Long term benefits	-	-
FBT	15,235	14,360
Termination benefits	-	7,834
<b>TOTAL</b>	<b>183,754</b>	<b>198,823</b>

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

	2018 \$	2017 \$
Contributions for fringe benefits tax purposes	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

#### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Nil.

## Legatus Group Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Legatus Group, for the year ended 30 June 2018.

### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2018 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

### Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011) and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



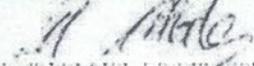
Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 8th day of August 2018

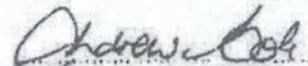
**LEGATUS GROUP**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that for the purpose of the audit of The Legatus group for the year ended 30 June 2018, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

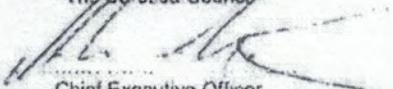
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Chief Executive Officer  
The Barossa Council



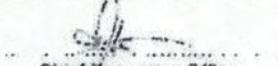
Chief Executive Officer  
District Council of Barunga West



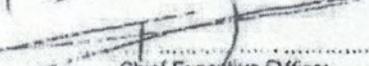
Chief Executive Officer  
Clare and Gilbert Valley Council



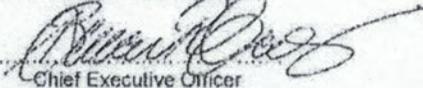
Chief Executive Officer  
District Council of the Copper Coast



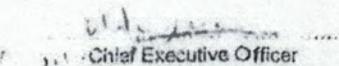
Chief Executive Officer  
The Flinders Ranges Council



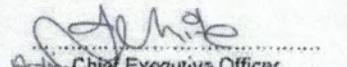
Chief Executive Officer  
Regional Council of Goyder



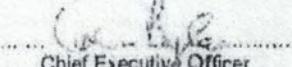
Chief Executive Officer  
Light Regional Council



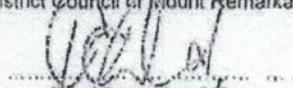
Chief Executive Officer  
Adelaide Plains Council



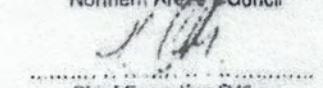
Chief Executive Officer  
District Council of Mount Remarkable



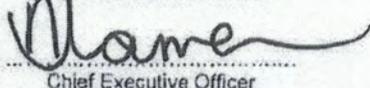
Chief Executive Officer  
Northern Areas Council



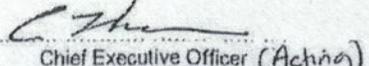
Chief Executive Officer  
Port Pirie Regional Council



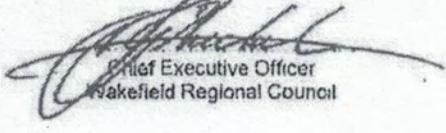
Chief Executive Officer  
District Council of Orroroo-Carrieton



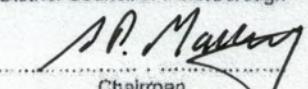
Chief Executive Officer  
Yorke Peninsula Council



Chief Executive Officer (Acting)  
District Council of Peterborough



Chief Executive Officer  
Wakefield Regional Council



Chairman  
Legatus Group  
Board of Management

Date: 8/8/2018.

**Legatus Group**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2018, 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 24 day of July 2018

**Barunga West Council**  
**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)**