

2014/2015

# Annual Report



# CONTENTS

<b>TABLE OF CONTENTS</b>	<b>Page No.</b>
Mayor's Comments	03
Chief Executive Officers Comments	04
Manager Corporate Services Comments	05
Works Managers Comments	06
Council Vision	07
Council Elected Members	09
Council Representation	10
Council Employees	11
Organisational Chart & Decision Making Structure	13
Council Committee Representatives	14
Auditor	14
Engineering Works	15
Administration	15
Competitive Tender Arrangements	15
Council Representation	16
Community Land Management Plans	16
Facilities	17
Administration, Finance & Governance	18
Rate Rebate Applications	21
Freedom of Information	21
Regional Subsidiaries	22
Competitive Neutrality	22
EEO & Human Resource Management	23
Financial Statements	23
Confidentiality Provisions	23
Internal Review of Council Decisions	24
Senior Officer Remuneration	24
Appendix A Strategic Directions, Achievements 2012/2013	25
Appendix B Registers and Codes of Conduct and Practice	27
Appendix C Natural Resource Management	28
Appendix D Freedom of Information Summary	29
Appendix E Freedom of Information Statement	29
Appendix F Financial Statements	33
Appendix G EPLGA Annual Report 2014/2015	74

## MAYOR'S COMMENTS

The District Council of Kimba continues to operate a very stable and efficient organisation with Council's management and staff working progressively together to better infrastructure for all residents and visitors to the region. We rank highly in both quality and quantity of work achieved and our resultant fiscal benchmarks and indicators show we are on the right track.

We have completed our Urban Plan and have already ticked off several items from within this. Our community deserve congratulations for being so involved with this plan. I believe we are the envy of the State with regard to having an engaged and involved community.

Our decision to work with our adjoining Franklin Harbour and Cleve District Councils for a shared waste management service has proven to be a winner, with both cost savings and increased recycling (resulting in less landfill), a direct result. Council, management and staff working cohesively and progressively has made this possible and I am confident we can stay at the forefront by keeping open minds and working in team environments that reward innovation. Our community can rest assured that although we may not have everything perfect, Council review and evaluate our operations continually and are always striving for better, more efficient methods of operating.

Our Council has been working extremely hard in attempting to secure better essential GP and general medical services for our district. Unfortunately actual results have been somewhat limited, but we continue to make this a focus not just in Kimba but across Eyre Peninsula, the State and beyond. Whilst understanding there are no easy fixes to this situation we will continue to strive for a fair and capable system that can meet demand.

Our management team in CEO - Daryl Cearns, Manager Corporate Services - Deb Larwood and Works Manager – Michael Inglis deserve special recognition for their outstanding leadership and guidance. Council rely on these leaders and their teams to ensure we meet all governance and legislative compliance and they all do remarkable work, thank you!

To Deputy Mayor Graeme Baldock and fellow elected members thank you for your support, hard work and the spirited debate you bring whilst representing our wonderful community. It is a pleasure to be a part of this united, cohesive and demanding group. I look forward to our next year and the challenges it will bring.



***Mayor Dean Johnson***

## CHIEF EXECUTIVE OFFICERS COMMENTS

Even though this is the second financial year that the Financial Assistance Grants have not been indexed and the Supplementary Road Funding has been removed by the current Federal Government, Council members and staff have continued to maintain our current assets as well as upgrading others.

Council continues to maintain a good balance in reserve funds which allows for possible one offs that might occur from time to time. During the 2014/2015 financial year Council continued to work with Franklin Harbour and Cleve to lower costs for planning and development, health inspections and waste management. More money would be available for on the ground works if Governments placed a halt to the introduction of further compliance requirements. The unfortunate issue with requirements for ever increasing compliance is that most of the public servants and Government ministers have no idea what happens beyond the greater city of Adelaide.

For all of Council and my concerns, all members and staff continue to take a positive approach to the ongoing betterment of our residents and improvements to infrastructure assets for the community as a whole. The new free parking site for caravans and motor homes at the recreation reserve is receiving fantastic reviews from travellers but more importantly bringing travellers into town where they can enjoy our residents hospitality as well as spending valuable dollars that assist some businesses.

I would like to thank Mayor John Schaefer and the previous Council for their positive and progressive thinking and their support of staff. Dean Johnson (new Mayor, November 2014) and the new Council have continued the good work in a seamless fashion. The 3 new councillors have been extremely involved and willing to learn and I have no doubt of their ongoing contribution to the improvements for the community will be terrific.

Council staff led by the Manager of Corporate Services, Deb Larwood and Works Manager, Michael Inglis are to be congratulated on their efforts. Council continues to urge all residents to get involved in the community in some way. If you do it will be very rewarding.



***Daryl Cearns***

## MANAGER OF CORPORATE SERVICES COMMENTS

Council concluded the 2014-15 Financial Year with an Operating Surplus of \$222,236, cash equivalents of \$2,290,837 and minimal borrowings of \$141,715. Whilst the Operating Surplus is quite significant this figure can be attributed with the early payment of Financial Assistance Grants from the 2015-16 year (\$678,676). Throughout the year Council expended \$3.9 million on operational expenses and \$1.0 million on capital projects. The main areas of capital expenditure were the renewal of roads and plant. The current major sources of income were centred on Rates, \$1.5 million, and Financial Assistance Grants, \$2.0 million provided by the Federal Government through the State Government. Council is very dependent on these funds to maintain services within the Kimba District. In looking forward it is Councils' goal to maintain a healthy operating result. Cash holdings and borrowings reflect a current financial position which is strong.

Throughout the year Council has spent significant resources ensuring compliance requirements have been met. Considerable time and effort has been expended on the revaluation of our assets and the review of our Long term Plans to ensure Council's sustainability into the future. A focus for Council within the year was the implementation of an Internal Control Regime to meet new legislative requirements commencing in the 2015-16 financial year. In addition Council are constantly reviewing and updating policies, procedures and service levels to enable Council to run as efficiently and effectively as possible with the best interest of the community at heart. Council remains committed to achieving long-term financial sustainability, and ensuring that, on average, its annual revenue from all sources at least matches the cost of providing Council services. This then means that future ratepayers will not be burdened in any way by the cost of services being consumed by current ratepayers. One constant concern to Council is determining the level of services that can be provided and maintained within Councils budget. Council regularly reviews these levels of services and determines, to the best of its ability, where funds are best utilized. These decisions are sometimes difficult and not always popular.

Council also has a very active Tourism Committee. In the 2014-15 year the Tourism Committee with the assistance of Council has undertaken improvements at the Roora Walking Trail with the inclusion of a series of life size animal sculptures and other works. In addition banners have been erected along the main street of town showcasing some of the attractions within the Kimba area. With the upgrade of the camping area at the Recreation Reserve and other initiatives tourism has increased and the frequent feedback received has been extremely positive for our town. Council is also an active participant in Work Health and Safety with a significant amount of work being undertaken in this area over the last 12 months. This is reflected through the high performance of Council's in WHS Audits undertaken throughout the year.

This financial year has been a very busy year and I would like to thank all staff, both administration and works department, for their continuing dedication. Also thank you to Daryl Cearn, CEO, Michael Inglis, Works Manager and the Mayor and Elected Members for their ongoing support of my role within council. Council is a great place to work and I look forward to the progress and challenges in the year ahead.



**Deb Larwood**

## WORKS MANAGER COMMENTS

The 2014/2015 financial year was a year that again saw Council's operational activities productive and capable in serving the communities needs. Its permanent workforce remained stable and with the use of some casual labour, complemented by a number of contractors, much was achieved in this period. For a number of years Council has undertaken major new construction and sealing projects; 2014/15 was the first year this hadn't occurred, which allowed an increased effort in particular on the refurbishment of our unsealed road network.

The 2014/15 budget allowed a number of re-sheeting projects to be completed on a number of roads. A total of 13.5 kilometres was completed at an average of \$17,073.93 per kilometre. This was a very pleasing result, showing that new methods and increased productivity has reduced the per kilometre cost. Road maintenance including patching and patrol grading was completed over a wide area of our network to complement the overall improvement of council's road. Re-sealing of a further 1 kilometre of Buckleboo Road was completed as well as patching on the Kimba Cowell Road. A new intersection was constructed on the Balumbah Hill Road at the Eyre Highway which has also been sealed, greatly improving sight distance.

Council continues to take great pride within the township itself with several major upgrades completed as well as ongoing general maintenance and beautification.

Major upgrades include:

- Old playing courts – gazebo, paving, furniture installation and landscaping
- Kimba Terrace – paving new footway
- North Terrace – paving new footway leading to the Rooraa Reserve Nature Trail
- Recreation reserve – Upgrade to overnight camping area including new effluent tank and connection to CWMS
- KPMV – installation of new ramps and new paving

The Kimba Refuse and Recycling Centre continues to be a well maintained operation and new initiatives, including an on-site vehicle where waste is disposed into, have further benefited the site. Recycling of goods continues to grow and has proven popular with the collection undertaken by the Eastern Eyre Waste Group.

Council's operational activities are carried out by a group of very capable and well respected staff. This group is led by a very competent senior management team and Council which are proactive and encouraging. The range of duties undertaken seem to be unlimited and with much variation, which reflects on the amount Councils are responsible for. We look forward to again working as a team and serving the community to achieve councils' goals.



***Michael Inglis***

# COUNCIL VISION

## **Our Vision**

A sustainable, progressive and viable Council committed to building the prosperity and vitality of the Kimba community in a quality environment.

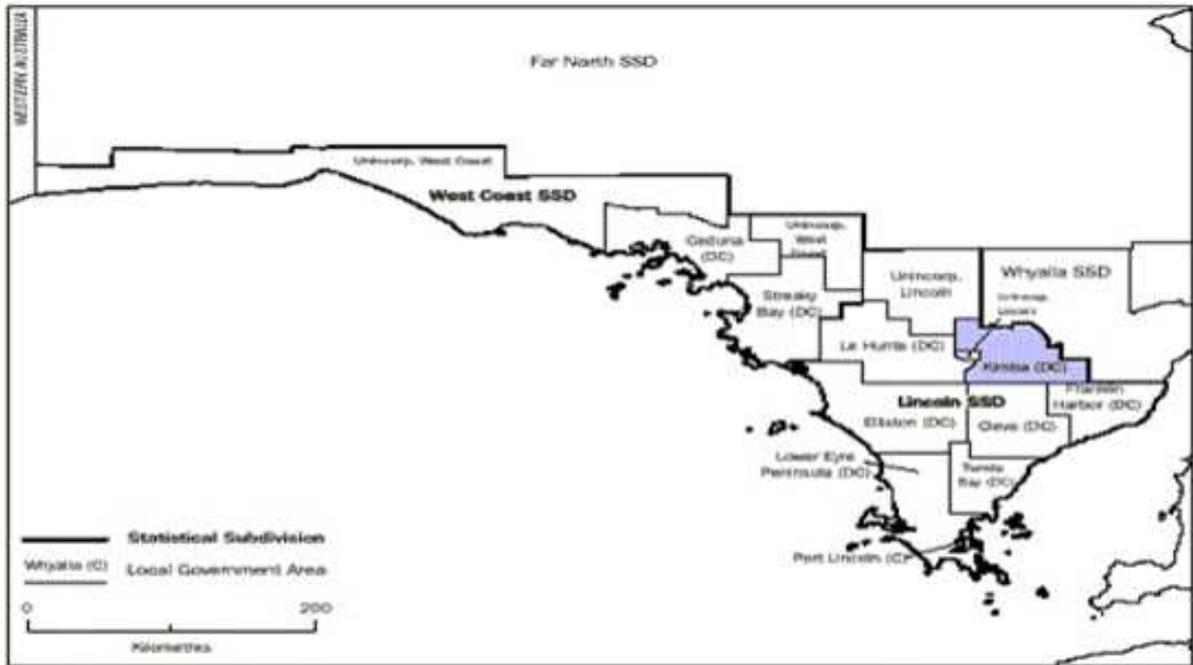
## **Our Mission**

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

## **Values and Principles**

The values and principles which guide all decisions of Council and which are reflected in the Strategic Management Plan can be summarised as follows:

- We will deliver quality and progressive Council services and programs
- We will facilitate a growing and sustainable economy and employment base to ensure the long term survival and prosperity of the community
- We promote a cohesive and dynamic rural community
- We promote a stable and cohesive Council and organisation
- We will maintain excellent relationships with the community through open communication and consultation
- We preserve and enhance our heritage and the environment
- We will ensure the long term financial security of the Council through excellent forward planning and management.



Based on 1999 Local Government Area Boundaries  
 Source: Australian Standard Geographical Classification 1999  
 Produced by: The Regional Statistics Unit  
 © Commonwealth of Australia, 2001

District Council of Kimba is strategically located on the Eyre Highway, National Highway One, covers an area of 3,500 square kilometres and has an estimated resident population of 1,098. Kimba is 474 kilometres from Adelaide, 155 kilometres west of Port Augusta and 315 kilometres east of Ceduna. Neighbouring towns are Cleve (75kms), Kyancutta (90kms), Cowell (90kms) and Whyalla (120kms). The District has an extensive road network with some 1,697 kilometres of roads, of which 91.5 kilometres are sealed.



## COUNCIL ELECTED MEMBERS

Council meets on the second Wednesday of every month at 2pm in the Council Chambers. Meetings are open to the public.

**Mayor (November 2014– June 2015)**  
**Deputy Mayor (July 2014-Oct 2014)**

**D. N. Johnson**

PO Box 209

Kimba SA 5641

Tel: (08) 8627 2442 (H)

Fax: (08) 8627 2566

Mobile: 0427 619 815

Email: [kimbaiga@bigpond.com](mailto:kimbaiga@bigpond.com)

Allowance: \$14,282.30

Reimbursement : \$1529.22

Attended 12/12 Council meetings



**Deputy Mayor (Nov 2014– June 2015)**  
**Councillor (July 2014-Oct 2014)**

**G. J. Baldock**

PO Box 460

Kimba SA 5641

Tel: (08) 8627 4056

Fax: (08) 8627 4094

Mobile: 0427 3274 056

Email: [baldock.gj@bigpond.com](mailto:baldock.gj@bigpond.com)

Allowance: \$6266.09

Reimbursements \$1790.75

Attended 11/12 Council meetings



**Councillor (July 2014–June 2015)**

**B. S. Cant**

PMB 4

Cleve SA 5640

Tel: (08) 8627 5012

Fax: (08) 8627 5082

Mobile: 0427 275 012

Email: [bscant60@gmail.com](mailto:bscant60@gmail.com)

Allowance: \$5155.84

Reimbursements: \$1056.60

Attended 12/12 Council meetings



**Councillor (Nov 2014– June 2015)**

**A.M. Lienert**

PO Box 449

Kimba SA 5641

Tel: (08)

Fax: (08)

Mobile: 0428 274 042

Email: [lienertco@gmail.com](mailto:lienertco@gmail.com)

Allowance: \$2850

Reimbursements \$1395.91

Attended 7/7 Council meetings



**Councillor (July 2014–June 2015)**

**G.J. Churchett**

Kimba SA 5641

Tel: (08) 8627 2013

Fax: (08) 8627 2591

Mobile: 0427 951 958

Email: [geoffchurchett@hotmail.com](mailto:geoffchurchett@hotmail.com)

Allowance: \$5868.34

Reimbursement: \$440.80

Attended 9/12 Council meeting



**Councillor (Nov 2014– June 2015)**

**P.T. Arcus**

PO Box 526

Kimba SA 5641

Tel: (08)

Fax: (08)

Mobile: 0448 908 363

Email: [philarcus@gmail.com](mailto:philarcus@gmail.com)

Allowance: \$2850

Reimbursements \$0

Attended 3/7 Council meetings



**Councillor (Nov 2014–June 2015)**

**P.S. Rayson**

PO Box 39

Kimba SA 5641

Tel: (08)

Fax: (08)

Mobile: 0428 278 070

Email: [pkrayson@bigpond.com](mailto:pkrayson@bigpond.com)

Allowance: \$2850

Reimbursements \$859.32

Attended 7/7 Council meeting



**Councillor (July 2014-Oct 2014)**

**K. B. Mathews**

PO Box 363

Kimba SA 5641

Tel: (08) 8627 2031

Fax: (08) 8627 2031

Mobile: 0427 272 031

email: [kmathews@bigpond.com](mailto:kmathews@bigpond.com)

Allowance: \$2307.84

Reimbursement: \$0

Attended 5/5 Council meetings



**Mayor (July 2014-October 2014)**

**J. B. Schaefer**

PO Box 203

Kimba SA 5641

Tel: (08) 8627 8081

Fax: (08) 8627 8082

Mobile: 0428 278 081

Email: [nalino104@bigpond.com](mailto:nalino104@bigpond.com)

Allowance: \$14,357

Reimbursements \$0

Attended 5/5 Council meetings



**Councillor (July 2014-Oct 2014)**

**S.K. Beinke**

PO Box 393

Kimba SA 5641

Tel: (08) 8627 2247

Fax: (08) 8627 2695

Mobile: 0427 272 695

email: [sue.beinke.@bigpond.com](mailto:sue.beinke.@bigpond.com)

Allowance: \$3689.34

Reimbursement:\$443.50

Attended 4/5 Council meetings



**Training & Development Activities available for Members of Council**

Council Members were provided with the opportunity to undertake Training & Development during 2014/2015. The majority of the training opportunities were provided through the LGA of SA. Council Members also had opportunities to attend conferences and other professional development subject to approval by Council.

## COUNCIL REPRESENTATION

**OTHER BODIES:**

**Local Government Association of S.A.**

Mayor J B Schaefer (until October 2014)

Proxy – Deputy Mayor D N Johnson (until October 2014)

Mayor D N Johnson (from November 2014)

Proxy – Deputy Mayor G J Baldock (from November 2014)

**Eyre Peninsula Local Government Association**

Mayor J B Schaefer (until October 2014)

Proxy – Deputy Mayor D N Johnson (until October 2014)

Mayor D N Johnson (from November 2014)

Proxy – Deputy Mayor G J Baldock (from November 2014)

**Regional Development Assessment Panel**

Cr B S Cant

**Kimba School Community Library Board**

Cr S K Beinke (October 2014), Cr A M Lienert (from November 2014)

**Kimba Community Development Group**

Mayor J B Schaefer (until October 2014), Cr P T Arcus (from November 2014)

**Kimba Area School Governing Council**

Cr S K Beinke, Cr A M Lienert (from November 2014)

# COUNCIL EMPLOYEES

*District Council of Kimba employees during the 2014-2015 year:*

## Administration



**Daryl CEARNS**  
Chief Executive Officer



**Deb LARWOOD**  
Manager Corporate Services



**Chloe HANAN**  
Administration Officer  
Governance/Records



**Jo SCHAEFER**  
Administration Officer  
Rates & Finance



**Deb KEMP**  
Administration Officer  
Payroll  
WHS Officer



**Shylie HARRIS**  
Currently on  
Maternity Leave



**Paul ROGERS**  
Depot Administration

## Works



**Michael INGLIS**  
Works Manager



**Joel FITZGERALD**  
Workshop Supervisor



**Michael KEMP**  
Town Supervisor



**Shane HARRIS**  
Roads & Construction Supervisor



**Peter ADLER**  
Multi Skilled Operator



**Tony LARWOOD**  
Town and Depot Services



**Mark STEWART**  
Multi Skilled Operator



**Zane STUTLEY**  
Town and Depot Services

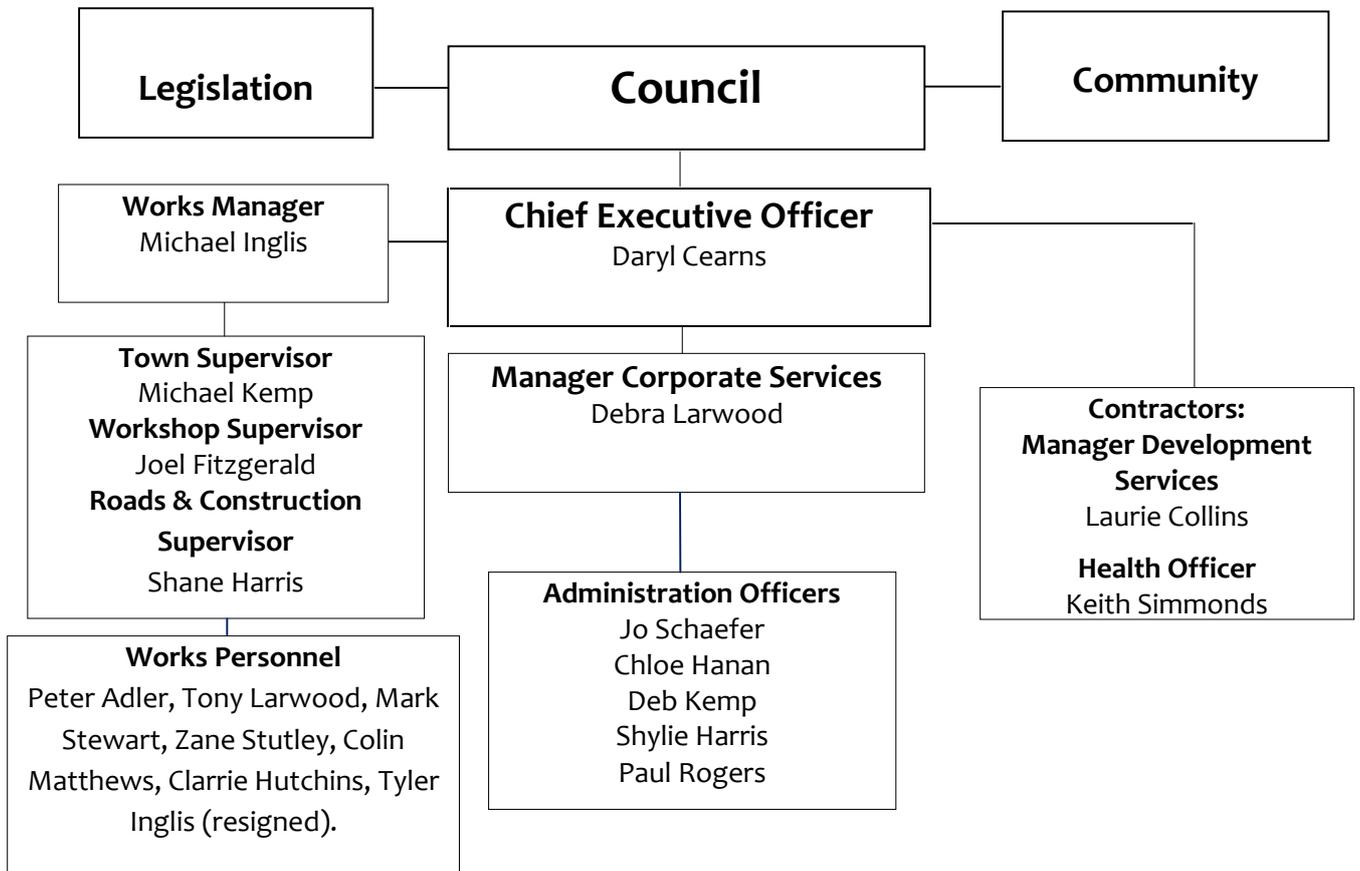


**Colin MATTHEWS**  
Multi Skilled Operator

**Clarrie HUTCHINS** Refuse and Recycling Centre Supervisor

**Tyler INGLIS** - Resigned September 2014

# ORGANISATIONAL CHART & DECISION MAKING STRUCTURE



## COUNCIL COMMITTEE REPRESENTATIVES

### **District Council of Kimba Australia Day Awards Selection Committee**

Cr G Churchett (Council representative)  
 Kate Francis (Kimba Area School Governing Council representative)  
 Marilyn Stutley (Kimba Community Development Group representative)  
 Neville Pahl (Kimba Lions Club representative)  
 Hayden Whitwell (APEX representative)  
 Advisory - Daryl Cearn (CEO)

### **Kimba Tourism Committee**

Cr S K Beinke (until October 2014)  
 Cr K B Mathews (until October 2014)  
 Cr G Churchett (from November 2014)  
 Cr P T Arcus (from November 2014)  
 Kerri Cliff  
 Dianne Hamlyn  
 Marilyn Stutley  
 Pat Beinke  
 Advisory - Deb Larwood, Chloe Hanan

# COUNCIL COMMITTEE REPRESENTATIVES CONT.

## **District Council of Kimba Bushfire Prevention Advisory Committee**

Cr B S Cant

Cr K B Mathews (until October 2014)

Cr G J Baldock (from November 2014)

James Woolford (CFS Buckleboo)

Shane Jericho (CFS Waddikee)

Rob Dart (Yalanda James)

Trevor Clifford (CFS Kimba)

Tristan Baldock (Caralue Group Officer)

Ian Davey (Caralue Group Officer)

George Kozminski (SA CFS)

Joe Tilley (Department of Environment and Natural Resources)

Joel Fitzgerald (District Council of Kimba)

Advisory Staff -Debra Larwood, Michael Inglis, Daryl Cearns

## **District Council of Kimba Audit Committee**

Mayor J B Schaefer (until October 2014)

Cr D N Johnson

Cr A M Lienert (from November 2014)

Averell Kessling (independent member)

John D Ewen (independent member)

- Meetings are held at least twice a year with sitting fees being set at \$100 for the independent member.
- The committees meet on a needs basis to make recommendations to Council on issues in their respective policy areas.

## AUDITOR

Council's Auditor, Ian G. McDonald, was appointed in December 2010, for a 5 year period. Fees paid to him in 2014/2015 were:

- Audit fee and charges \$9,350

## ENGINEERING WORKS

- Kerbside Recycling program
- Refuse Tip
- Aerodrome
- Cemeteries
- Fire Protection
- Sport & Recreation
- Plant/Machinery Control
- Building Inspections
- Road Construction/ Maintenance
- Street Lighting
- Storm water Drainage
- Common Effluent Drainage
- Parking & Traffic Control
- Parks & Reserves
- House refuse collection
- Kimba Pioneer Memorial Village
- Dog Control

## ADMINISTRATION

- Governance
- Management
- Accounting
- Rates & Properties
- Policy & Decision
- Implementation
- Health Inspection
- Public Health
- Legislation/Legal
- Research
- Elections
- Aged Accommodation Rentals
- Public Relations
- Insurance
- Emergency Service
- Sport & Recreation
- Asset Management
- Payroll
- Cemetery
- Building & Planning Applications, Approvals & Inspections
- General Enquiries

## COMPETITIVE TENDER ARRANGEMENTS

Pursuant to the provisions of Section 49 of the Local Government Act 1999, and Section 36 of the Local Government (Implementation) Act 1999, Council has a Contracts, Tendering and Purchasing Policy which was reviewed and adopted at the Council meeting held in February 2015. This policy is available for viewing or purchase at the Council Office during normal business hours.

## COUNCIL REPRESENTATION

The Council is a democratically elected body comprising seven (7) elected members, with the presiding member being the Mayor who is elected by the Council. As there are no wards within the Council area, all elected members represent the interests of the whole community when making decisions as the corporate body of Council. Council currently has 791 voters on the House of Assembly and 3 on the Chief Executive Roll. Elector Representation Quotas for 2014-2015 provided by the Local Government Association of SA for like type Councils at the time were:

<u>Elected Members</u>		<u>Quota</u>
Cleve	8	161
Elliston	8	93
Flinders Ranges	9	137
Franklin Harbour	6	156
Karoonda-East Murray	7	115
Kimba	7	113
Wudinna	7	129
Orroroo/Carrieton	7	106
Robe	7	178
Streaky Bay	8	189

Pursuant to Section 12(4) of the Local Government Act 1999, the Minister for State/Government Relations has determined the relevant period for the next review of Council compositions and wards to be between April 2016 and April 2017.

## COMMUNITY LAND MANAGEMENT PLANS

All land except roads held as at 1<sup>st</sup> January 2000 is classified as “community land” unless Council resolves to exclude it from that classification. The intention behind the legislation is that Council, in consultation with the community, should determine which land should or should not be classified as community land. Where the land is under the care, control and management of a Council, but is not owned by the Council, the Council cannot resolve to exclude the land from classification as community land without the approval of the relevant Minister.

A person must not use community land for a business purpose unless the use is approved by Council. The Council cannot approve the use of community land for a business purpose contrary to the provisions of the management plan.

Council’s Management Plans for Community Land were reviewed by Council at the meeting of Council held on 10<sup>th</sup> April 2013. Plans are constantly monitored for required changes. Another major review will be undertaken in 2018.

# FACILITIES

## **Hire Charges:**

**Council Chambers/Meeting Room** \$55.00 per day  
(Negotiable for community groups)

## **Kimba Soldiers Memorial Institute Rental**

Main Hall \$ 100.00 per day  
Main Hall Including Supper Room and Kitchen \$ 150.00 per day  
Supper Room Only Negotiable

These fees are negotiable with the CEO or Manager Corporate Services. A \$150.00 bond will be required.

## **Recreation Reserve Rentals**

Kimba Districts Football & Netball Club \$3,855.88 per year  
Kelly Cricket Club \$1154.72per year  
Kimba A H & F Society \$1003.69 per year  
Kimba Cricket Club \$1154.72 per year  
Kimba Pony Club Inc. \$113.95per year



Kimba Recreation Reserve playground and courts

# ADMINISTRATION, FINANCE & GOVERNANCE

## Rates

The District Council of Kimba and Elected Members have been fully aware of the present economic situation within agriculture and take account of the level of the major commodity prices of grain and wool, when setting rates.

YEAR	TOTAL REVENUE	CENT/DOLLAR RURAL	CHANGE %	CENT/DOLLAR TOWNSHIP	CHANGE %
2003/2004	785,065	0.8952	-4.71	11.0317	3.27
2004/2005	837,443	0.7585	-15.17	10.644	- 3.52
2005/2006	875,105	0.6560	-13.52	9.25	-13.10
2006/2007	913,972	0.5450	-17.93	5.025	- 45.68
2007/2008	954,944	0.5700	4.58	4.50	-10.45
2008/2009	1,009,118	0.5975	4.82	3.81	-15.34
2009/2010	1,049,343	0.6232	4.30	2.06	- 45.93
2010/2011	1,076,405	0.5977	-4.09	1.977	-4.03
2011/2012	1,259,733	0.5935	-1.25	1.966	-0.56
2012/2013	1,329,000	0.5902	-0.56	2.065	5.04
2013/2014	1,469,109	.5900	-.034	2.1100	2.18
2014/2015	1,535,071	.5793	-1.81	2.301	9.05

## Public & Environmental Health

The District Council of Kimba utilised the services of a qualified Environmental Health Officer, Mr. Keith Simmonds. Quarterly inspections of food handling and preparation premises are undertaken, with the overall aim to ensure that all such premises are operating to satisfactory standards. Keith has assisted each operation to adopt appropriate measures and continues to work closely with all concerned to achieve the overall objective.

## Clubs

Council continued wherever possible to assist clubs and groups in the Kimba District with donations and in kind work. Council sees the assistance as an extremely worthwhile contribution as communities like Kimba would not be as workable without the input of these groups.

## Waste Management

Council continued to implement responsible waste management practices at the Kimba Refuse and Recycling Depot, following the audits and inspections by both the Mutual Liability Scheme and the EPA. Even though the cost of handling and freight for recyclables makes recycling cost neutral, Council feels that, environmentally, recycling must continue.

Operating hours of the Kimba Refuse Depot as at 30<sup>th</sup> June 2015 were:

Sunday 9 am – 12 pm  
Tuesday 9 am – 12 pm  
Thursday 9 am – 12 pm

## Development

Although Council does not receive a substantial number of development applications in comparison with larger Councils, it is important for Council to have well planned and executed procedures to ensure that any development enhances the pleasant, safe and attractive living environment that is provided in Kimba. During this reporting period, Council received 28 development applications, with an estimated value of \$828,142.00. The following table illustrates the number and value of development applications in recent financial years for comparative purposes.

2005/2006	15 applications	\$ 565,903
2006/2007	28 applications	\$ 669,592
2007/2008	20 applications	\$ 390,546
2008/2009	30 applications	\$ 1,223,277
2009/2010	31 applications	\$1,788,624
2010/2011	36 applications	\$ 4,495,319
2011/2012	28 applications	\$1,859,664
2012/2013	33 applications	\$706,031
2013/2014	21 applications	\$559,949
2014/2015	28 applications	\$828,142

Council employs Laurie Collins to carry out the function of Council's Manager of Development Services.

## School/Community Library

Located: 69 West Terrace, Kimba SA 5641

Phone: 86272 2221 Fax: 86272 2221

## Opening Times

### School Terms

Monday	9am – 3:30pm
Tuesday	9am – 5pm
Wednesday	9am – 5pm
Thursday	9am – 5pm
Friday	9am – 5pm
Saturday	CLOSED
Sunday	CLOSED
Public Holidays	CLOSED

### School Holidays

Monday	CLOSED
Tuesday	10-15am-12:30pm and 1pm-4:30pm
Wednesday	10-15am-12:30pm and 1pm-4:30pm
Thursday	10-15am-12:30pm and 1pm-4:30pm
Friday	10-15am-12:30pm and 1pm-4:30pm
Saturday	CLOSED
Sunday	CLOSED

## Complaint/Request Procedure

In 2014/2015 186 complaint and request forms were received, consisting of:

- Kimba Pioneer Memorial Village 17
- Public Toilets 25
- Dogs/Cats 2
- Roads/Footpaths 29
- Parks, Garden & Trees 19
- Private/In-kind Works 30
- Other (including Institute, Council buildings etc.) 64

All requests/complaints were completed as at 30<sup>th</sup> June, 2014 except 6 requests which were received at the very end of June and therefore will be completed early in the next financial year.

## Strategic Management Plan and Annual Business Plan

Council adopted its 2012-16 Strategic Management Plan in June 2012. The Plan includes a vision, goals and strategies and identifies key issues which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Kimba. The Plan is supported by a Long-term Financial Plan and as Infrastructure and Asset Management Plan, all of which were improved further during 2014-15. The Long-term Financial Plan aims to provide for financing and funding asset maintenance and renewal in an optimum way consistent with projected needs in the Infrastructure & Asset Management Plan. In addition Council is required each year, under Section 123(2) of the Local Government Act 1999, to produce an Annual Business Plan. This Plan is a statement of its intended programs and outcomes for the year. It provides clear links with Councils Strategic Management Plan and the allocation of resources in its budget and establishes a basis for review of Council's performance over the year. Council currently adopts its' Annual Business Plan in June of each year.

## Financial Results for 2014-15

Council recorded an operating surplus of \$222,236 in 2014-2015 (i.e. income exceeded expenses by \$222,236). Council is committed to maintaining its long-term financial sustainability by achieving at least an ongoing break-even operating result (i.e. income equal to expenses).

The level of Council's net financial liabilities (i.e. total liabilities less financial assets) at 30 June 2014 was negative \$1,875,671. That is, the level of Council's financial assets exceeded its borrowings and

other liabilities at 30 June. Council is endeavouring to make more use of borrowings to cater for any backlog identified in spending required on renewing or replacing infrastructure. At the same time, Council has a prudent policy in place of ensuring that net financial liabilities expressed as a percentage of Council income does not exceed an upper limit of 100 per cent.

## Debt Levels

Traditionally Council's use of debts has been very modest. At 30 June 2014 gross borrowings were \$141,715 off set by cash and investments of \$2,145,875. After taking account of other receivables and payables Council's net financial liabilities at 30 June 2014 was negative (\$1,875,671) i.e. the amount of cash and investments exceeded the Council's total liabilities. Net financial liabilities is a more comprehensive measure of debt and has been adopted by most SA Councils as the key measure of a Council's financial position. The table below sets out actual levels of gross borrowings, net debt and net financial liabilities as at 30 June 2014.

Clearly, there is considerable scope for Council to prudently increase its level of borrowings without creating a financial burden on its ongoing operating programs.

	<b>Actual 30/06/14 \$000</b>
Gross borrowings	142
Less: Cash and investments	2,291
<b>Equals: Net debt</b>	<b>(2,149)</b>
<b>Add: Trade and other payables</b>	<b>107</b>
<b>Add: Provisions for employee entitlements</b>	<b>326</b>
<b>Less: Trade and other receivables</b>	<b>160</b>
<b>Equals: Net financial liabilities</b>	<b>(1,876)</b>

## RATE REBATE APPLICATIONS

Pursuant to Section 23 (4) of the Local Government (Implementation) Act 1999, Council must provide specific information in relation to the receipt and treatment of rate rebate applications received during 2014/2015.

During the course of the 2014/2015 financial year, Council remitted \$20,561.25 in rebates.

## FREEDOM OF INFORMATION

Pursuant to the provisions of Section 131 of the Local Government Act 1999, and the Freedom of Information Act 1991, Council is required to prepare and publish an Information Summary and an Information Statement in relation to its Freedom of Information activities during each financial year.

These two documents have been reproduced as Appendix D and Appendix E to this Annual Report respectively.

## REGIONAL SUBSIDIARIES

Council currently is a member of a regional subsidiary that falls within the provisions of Section 43 of the Local Government Act 1999;

- Eyre Peninsula Local Government Association (attachment I)

This regional subsidiary produces its own individual annual report. Clause 28 of Schedule 2 of the Local Government Act 1999 provides that each constituent Council must incorporate the annual report of each regional subsidiary into its own Annual Report. This document is available for inspection at the Council office.

## COMPETITIVE NEUTRALITY

The primary objective of the 'National Competition Policy' is to ensure that local businesses gain an opportunity to compete for the provision of local government business.

Complaints must be received in writing detailing the nature of the complaint and how they believe such activity by the Council is disadvantaging the complainant. The Chief Executive Officer will make an interim determination as to whether the complaint will be investigated internally or by appointing a person from an independent panel established by the Local Government Association. If the matter is determined internally the complaint is to be referred to the Chief Executive Officer who must determine a position on the matter i.e. within 5 working days from receipt of the complaint:

- record the complaint in the complaints register
- advise the complainant of the officer that will be dealing with the complaint
- provide the complainant with a copy of the policy
- provide the complainant with a copy of the complaints process
- investigate the complaint within 21 working days of receipt of the complaint
- advise the complainant of the result of the investigation and any corrective action taken
- record the outcome in the complaints register

Where a complainant is not satisfied with the advice received, the complaint is to be referred to the panel established by the LGA. The process for handling the review is to mirror the original handling of the complaint. Where the complaint has been addressed through the local government process the complaint is to be referred to the competition commissioner.

The revised clause 7 statement on the application of competition principles to Local Government under the Competition Principles Agreement requires Council to include in its Annual Report, specific information related to significant business activities, competitive neutrality, by-laws and complaints.

In relation to this:

- Council has no Category 1 significant business activities. It does however have a Category 2 business activity in the form of Private Works. There has been no change in the application of competitive neutrality since Council's last return. Council presently has no by-laws in force, and none have been repealed in the preceding twelve months. No complaints about competitive neutrality were received during the preceding twelve months.

## E.E.O. & HUMAN RESOURCE MANAGEMENT

The Council believes it has a responsibility to all members of its community to create an employment environment which is free of discrimination and which reflects the diversity and needs of the community it serves. The Council is firmly committed to the principle of equal opportunity in employment for all employees and potential employees.

Council therefore acknowledges its legal obligations under the Local Government Act and Federal Equal Opportunity laws, in that:

- The SA Equal Opportunity Act makes discrimination unlawful on the grounds of sex, sexuality, marital status, pregnancy, race, physical or intellectual impairment and age in areas of employment, provision of goods and services, advertising, accommodation and clubs and associations. Sexual harassment and victimisation are also unlawful.
- The Local Government Act requires that Council observe general principles of personnel management and develop, implement and review an Equal Employment Opportunity Program.

As part of this program Council has:

- Incorporated the program into the Strategic Plan.
- Consulted the Council's CEO/Workplace representatives.
- Ensured that recruitment, selection, promotion, transfer and training are based solely on the merit principle. This means that selection is based on skills, knowledge, qualifications and experience (including community experience) relevant to the job or situation.
- Appointed Mr. Daryl Cearns in the position of EEO (Equal Employment Opportunity) Officer.
- Reviewed existing training programs.
- Ensured that services provided to residents will be delivered in a fair and equitable manner.
- Provided all new and existing employees with EEO awareness training and any other training relevant to their position or responsibilities
- Ensured that all employees have received copies of the EEO policy.

The overall responsibility for monitoring the effectiveness of this policy and for implementing an ongoing EEO program is vested in the Chief Executive Officer.

## FINANCIAL STATEMENTS

Pursuant to the provisions of Schedule 4 of the Local Government Act 1999, Council's Audited Financial Statements for the 2014/2015 financial year form part of this annual report and is included as Appendix F.

## CONFIDENTIALITY PROVISIONS

Pursuant to the provisions of Section 90 (2) of the Local Government Act 1999, a Council or Council Committee may order that the public be excluded from attendance at a meeting in order to receive, consider or discuss a matter confidentially. Section 91 (7) of the Local Government Act 1999 provides that a Council may keep a document or minutes of such consideration, review or discussion confidential.

Council went into camera twice during the 2014/2015 financial year.

*NOTE: During the financial year the CEO (on delegated authority) reviewed order number 159.2006 and subsequent amendment 227.2006 and recommended to Council that it remain in force which was accepted (resolution 107.2014).*

## INTERNAL REVIEW OF COUNCILS DECISIONS

During 2014-15 Council received no requests for a review of Council decisions in accordance with section 270(8) of Local Government Act 1999.

## SENIOR OFFICER REMUNERATION

**C.E.O.** (Daryl Cearns commenced 12/7/04)

- Level 5 Year 2 Senior Officers stream plus above awards percentage which remains in line with other Senior Officers
- LG Superannuation Scheme 9.3% of salary
- Subsidised House Rental
- Telephone Rental
- Use of administration vehicle
- Membership professional bodies

**Manager Corporate Services** (Deb Larwood)

- 39% above award of Level 3 Year 3 Senior Officers Stream
- LG Superannuation Scheme 9.3% of salary
- Telephone Rental Subsidy
- Subsidised House Rental
- Membership professional body

**Works Manager** (Michael Inglis)

- 39% above award of Level 3 Year 3 Senior Officers stream
- LG Superannuation Scheme 9.3% of Salary
- Telephone Rental
- Use of vehicle
- Membership professional body

## APPENDIX A - STRATEGIC DIRECTIONS, ACHIEVEMENTS 2014-15

Council's 2015 Community Vision document sets out six major goals that underpin the way forward for Council. These are; Lifestyle and wellbeing; Employment, Economic Development and Tourism Environment; Assets and Infrastructure; Governance; and Sport, Recreation and Culture

The goals in the Strategic Plan contain several strategies which have been kept deliberately broad so that Council can generally operate without regularly changing its five main goals. However, Council will, from time to time, change its focus for a specified period and still remain within its goals. During discussions for the preparation of Council's 2012-16 Strategic Directions document the following were highlighted as focus areas that should be pursued during the next 5 years:

Develop up to date and relevant asset management plans for council assets	Council has undertaken a revaluation of all roads, footpaths, land, buildings and the Community Wastewater Scheme to provide more reliable data for a review of Plans.
Continue upgrades to units at the Kimba Pioneer Memorial Village	Additional ramps and paving has been undertaken.
Continue to upgrade footpaths in Kimba	Completion of footpath along Kimba Terrace and North Terrace.
Carry out on-going improvements to the Recreation Reserve in a structure manner	Significant works has been undertaken at the Old Playing Courts area with a lawn and shrub areas, a shelter and a bbq. Work has also been completed at the "free camping" area and a shade erected over the playground.
Promote tourism in the Kimba district, including the continuation of underwriting costs for the Visitor Information Outlet	Council continued to promote tourism and house and staff the V.I.O. The Kimba Brochure was reviewed and reprinted. Further work was undertaken at the Walking Trail and the addition of several animal sculptures. Banners have been depicting spots of interest in the Kimba area have been erected in the main street.
Review, Manage and maintain well-utilised, multipurpose buildings which meet the needs of the community	Continued maintenance was undertaken for all council buildings. Plans discussed for the upgrade of the Institute toilets.
Continue to seek grant funds to enable employment opportunities	Grant work being undertaken has allowed Council further employment opportunities and development of plans for future projects.
Professional Development	All elected members have undertaken training to ensure mandatory legislative requirements have been met.
Review Councils Strategic Plan and develop long term Financial and Asset Management Plans in conjunction with this	Reviews of the Long Term Financial Plan and Asset Management Plan – Planned Capital Expenditure were commenced along with the Strategic Management plan in line with the election of the new council. All plans to be completed in 2015-16.

## ACHIEVEMENTS 2014/2015

All of the items listed for 2014-15 were part of the Budget and Annual Business Plan.

<b>Achievements</b>	<b>Achieved Yes/No</b>	<b>Comments</b>
Maintaining of Parks and Gardens	Yes	Ongoing beautification undertaken.
Maintaining of Recreation Reserve and Oval	Yes	Additional work undertaken in this area with upgrades to the “free Parking’ area and the entrance road.
Road Maintenance	Yes	Extensive Road Maintenance undertaken.
Road re-sheeting and sealing	Yes	Completed in line with the Budget requirements.
Re-development of Old Playing Courts Area	Yes	Plantings of vegetation and lawn were undertaken along with the erection of a shelter and barbecue area.
Further develop Tourism within the Kimba District	Yes	Further animal sculptures were installed at the Rooru Walking Trail and Banners depicting places of interest within the district erected in the main street.
Upgrade to Central Park	No	Deferred to the 2015-16 budget as a result of additional work undertaken at the Recreation Reserve throughout the year.
Update of Council Plant and Vehicles	Yes	Council undertook the replacement of the CAT 14H Grader and works vehicles. Two additional utes were purchased in excess of the budget in line with Council Policy. A new forklift and a used truck for the refuse site were also purchased.
Footways Construction	Yes	Additional work was also undertaken here in excess of the budget with both West Terrace and North Terrace being paved.
Shade for Recreation Reserve Playground	Yes	The shade at the Recreation Reserve was erected in 2014-15.
Kimba Pioneer Memorial Village Upgrades	Yes	Paving and the installation of ramps was completed.
Replacement of Case MX Tractor	No	This purchase did not go ahead as alternative methods were developed and the purchase was no longer recommended.
Upgrade of Institute Toilets	No	Due to time constraints this item has been deferred to the 2015-16 budget year.

# APPENDIX B - REGISTERS & CODES OF CONDUCT & PRACTICE

## **STATUTORY POLICIES**

- Public Consultation Policy
- Internal Review of Council Decisions
- Order Making Policy
- Code of Conduct – Elected Members
- Code of Conduct & Contract – Employees (reviewed in 2012-13 with minor changes)
- Fair Treatment Policy
- Risk Management Policy
- Access to Council meetings, Council committees & council documents code of practice.
- Building Inspection Policy
- Caretaker Policy (Council Elections)
- Aerodrome Management Policy
- Whistleblowers Policy
- Members Training & Development Policy
- Contractors, Tenders & Purchasing Policy
- Rating Policy
- Code of Practice for Meeting Procedures
- Elected Members Allowances & Support Policy
- Selection of Road Names Policy
- Customer Complaints, Service & Comments Policy
- Internal Financial Control Policy
- Prudential Management Policy

## **REGISTERS & PLANS**

- of Interest – Elected Members
- of Interest – Senior Officers
- of Allowances and Benefits
- of Community Lands
- of Public Roads
- of Remuneration, Salaries and Benefits
- of Fees and Charges
- of Campaign Donation Returns
- of Development Applications
- of Requests & Complaints
- of Land, Contracts, Leases and Tenancies
- Corporate Plan
- Strategic Management Plans
- Community Land Management Plans

## **GENERAL POLICIES**

- Culvert Policy
- Depreciation Policy
- Tree Management Policy
- Principles & standards for the provision of community Information Services
- Bird Culling Policy
- Vehicle usage & reimbursement for Council's Presiding Member Policy
- 'Out & About' Community Bus Policy & Procedure
- Refuse Management Policy
- Procedure for requests for Council Documents by Elected Members
- Various Other OHS&W Policies included in the OHS&W Policy Manual
- Various Terms of Reference – Council Committees
- Policy Manual
- Contracts, Tendering and Purchasing Policy
- Code of Practice – Access to Council Meetings and Documents
- Confidentiality & Use of Council Resources Agreement
- Rating Policy
- Safe Environment Policy
- Internal Control (Accounting) Policy
- Records Management Policy
- Election Signs Policy
- Members Training & Development Policy
- Voters Roll
- Guidelines for the Control of Election Signs
- Animal Management Policy
- Outdoor Café Policy
- Rural Road Classification Policy
- Travel & Accommodation Policy
- Asset Revaluation Policy
- Asset Impairment Policy
- Asset Management Policy
- Asset Depreciation Policy
- Kimba Pioneer Memorial Village Policy
- Council Induction Policy
- Reserve Policy
- Environmental Policy
- Treasury Management Policy
- Revenue & Financing Policy

# APPENDIX C – NATURAL RESOURCE MANAGEMENT

*The following information has been supplied by EPNRM.*

## **EYRE PENINSULA NATURAL RESOURCES MANAGEMENT BOARD**

- The Eyre Peninsula Natural Resources Management Board promotes community objectives by working to achieve a healthy environment that is based on sustainable use of the region's natural resources, supported by a strong economy and a vibrant community.
- The State Natural Resources Management Plan, regional NRM Plans and formation of the 8 NRM Boards and NRM Council are requirements of the *Natural Resources Management Act 2004* (NRM Act). The NRM Act provides the framework for all natural resources management initiatives, including NRM Plans, NRM Levies and EPNRM activities.
- The NRM Levy is the name for contributions that South Australian ratepayers used to make for the former Catchment Water Management Boards and Animal and Plant Control boards.
- The NRM Levy funds vital natural resources management projects, in the fields of salinity, water resources management, protection of water quality, wetlands management, sustainable water use, land management, pest management, biodiversity, coast and marine, monitoring and evaluation and community education.
- Local Government plays a crucial role in this process by collecting a regional NRM levy on all ratable properties on behalf of EPNRM.
- The levy will be used to assist in the development of water management plans to address water quality and water sustainability, groundwater investigations, regional pest plant and animal control, pest risk assessments and land management issues. EPNRM has staff based at six locations around the region, including Cleve, Whyalla and Port Lincoln.

### **Frequently asked questions:**

#### **What is the NRM Levy?**

The Natural Resources Management (NRM) Levy is a State Government initiative under the *Natural Resources Management Act 2004*. The Levy is charged through council rates notices and provides additional funding to help manage natural resources such as soils, water, coasts and marine environments and to control pest plants and animals.

#### **Who pays the levy?**

All council ratepayers in this region pay the regional NRM levy along with those that have a water license.

#### **How often is the levy set?**

The levy is set annually.

#### **Who collects the levy?**

Local councils collect a land based levy from ratepayers and licence holders before forwarding it to EPNRM. The Department of Water, Land and Biodiversity collects the water based levy\*,

*\*for those who receive both a council rate notice and a water license notice – the NRM Levy will appear in both instances. You are not paying the same levy twice. You are, in fact, paying the 'land based' contribution and the 'water based' contribution, because you rely on the future sustainability of both these natural resources.*

#### **Who do I contact for more information about the levy?**

Your local council is able to answer questions relating to the value of the levy itself or your levy payment. This includes the queries regarding contiguous properties or single farm enterprises and pensioner concessions. EPNRM can answer questions about how the levy money is spent.

## APPENDIX D – FREEDOM OF INFORMATION SUMMARY

The District Council of Kimba publishes this Information Summary in accordance with the requirements of the Freedom of Information Act 1991 as amended.

### **Policy and Administrative Documents**

The District Council of Kimba's policy and administrative documents are as follows:

- Ordinary Council Meeting Agendas
- Ordinary Council Meeting Minutes
- The Policy Manual
- The Budget Statements
- Audited Financial Statements
- Council Delegations
- The Annual Report
- Assessment Records
- Kimba Supplementary Development Plan

These documents are available for public inspection at the Council Office between 9.00 a.m. and 5.00 p.m. Monday to Friday. Members of the public may also purchase copies of these documents from the Freedom of Information Officer.

### **Information Statement**

The District Council of Kimba publishes an Information Statement on its requirements under the Freedom of Information Act and a copy is available from the Council Office.

### **Certificates Issued Under Section 9 (1a)**

No Certificates relating to Freedom of Information were issued under Section 9 (1a) of the Freedom of Information Act 1991 in the 12 months to 30 June 2015.

# APPENDIX E – FREEDOM OF INFORMATION STATEMENT

The District Council of Kimba publishes this Information Statement in accordance with the requirements of Section 65r of the Local Government Act 1934, Section 131 of the Local Government Act 1999, and Section 9 of the Freedom of Information Act 1991. Council is pleased to comply with the legislation and welcomes inquiries. An updated information Statement will be published at least once every 12 months.

## **1. STRUCTURE & FUNCTIONS OF THE COUNCIL:**

### **1.1 Full Council**

Full Council, consisting of seven (7) Area Councillors including the Mayor, is the decision making body on all policy matters. Ordinary meetings of the full Council are held on the second Wednesday of every month, commencing at 2.00 pm. Members of the public are welcome to attend.

### **1.2 Committees & Advisory Groups**

Committees and Advisory Groups have been established by Council to discuss/administer Council and Community business. These groups meet as required, and members of the public are welcome to attend. These Committees and Advisory Groups are:

- DCK Australia Day & Other State Awards Selection Committee
- DCK Bushfire Prevention Advisory Committee
- E.E.P. Building Fire Safety Committee
- DCK Tourism Committee
- DCK Audit Committee
- DCK Works Committee

### **1.3 Agendas and Minutes**

Agendas of all full Council meetings are placed on display no less than three days prior to those meetings. Minutes of the meetings are placed on display within five days of the meeting.

### **1.4 Delegations**

The Chief Executive Officer has delegated authority from Council to make decisions on a number of specified administrative and policy matters. The CEO sub-delegates some of the authorities to senior officers to manage their areas of that authority. These delegations are listed in the Policy Manual and are reviewed annually by Council, in keeping with the legislative requirements:

- To determine policies to be applied by Council in exercising its discretionary powers;
- To determine the type, range and scope of projects to be undertaken by the Council; and
- To develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of the Council.

The Council makes the decisions which 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 also made to determine whether or not approvals are to be granted for applications from residents for various forms of development to subsequently personally address the Council before a decision is made.

## **2. SERVICES FOR THE COMMUNITY:**

Full Council makes decisions on policy issues relating to services that are provided by Council for members of the public.

### **Summary of Services**

Council provides and maintains:

- Roads, Footpaths, Kerbing
- Traffic Control, Cycle and Walking Tracks
- Community Transport
- Street lighting, Car Parks
- Street Sweeping, Litter Bins
- Garbage Collection, Public Toilets
- Ovals, Reserves and Libraries
- Cemetery
- Septic Tank/Effluent system

Council Inspects and Licenses:

- Outdoor Signage
- Food Premises, Sanitary Condition of Buildings
- Fundraising events
- Aerodrome

Council Administers:

- Parking, Litter and Signs
- Planning and Building
- Dog Registering & Control
- Fire Prevention

Council Conducts:

- Immunisation and Health Programs
- Citizenship Ceremonies

### **3. PUBLIC PARTICIPATION:**

#### **3.1 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 the Council, a Committee or an Advisory Group personally or on behalf of a group of residents.
2. Presentations to Council - with prior notification and arrangement with the Mayor, a member of the public can address the Council on any issue relevant to Council.
3. Petitions - written petitions can be addressed to the Council on any issues 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 their Elected Members of Council to discuss any issue relevant to Council.

#### **3.2 Community Consultation**

The District Council of Kimba regularly consults with local residents and ratepayers on particular issues that affect their neighbourhood. Examples of such situations include:

1. Public Consultation and request for submissions on significant issues.
2. Meetings of Electors - all residents and electors are eligible to attend meetings.
3. Residents are notified of some Development Applications requiring the approval of Council. When an application is publicly notified, residents have the opportunity to both write to Council expressing their view of the application, and to subsequently personally address the Council before a decision is made.

### **4. ACCESS TO COUNCIL DOCUMENTS:**

#### **4.1 Documents Available for Inspection**

The following documents are available for public inspection at the Council Offices free of charge:

- Council Agendas
- Council Minutes
- The Policy Manual
- Assessment Records
- Development Application Register
- Register of Elected Members Allowances & Benefits
- Registers of Employees' Salaries, Wages & Benefits

- Register of Fees and Charges Levied by Council
- Community Land Register
- Road Register (including priority roads)

Members of the public may purchase copies of these documents and the charges are:

- |                                  |         |
|----------------------------------|---------|
| • The Budget Statements          | \$6.00  |
| • The Strategic Plan             | \$6.00  |
| • Annual Financial Accounts      | \$6.00  |
| • The Annual Report              | \$6.00  |
| • Supplementary Development Plan | \$22.00 |
| • Voters Roll                    | \$6.00  |

\*\* Those items without charges identified are available at the normal photocopying charges.

#### **4.2 Other Information Requests**

Requests for other information not included in Clause 4.1 above will be considered in accordance with the Freedom of Information provisions of the Local Government Act. Under this legislation, an application fee and a search fee must be forwarded with the completed request form as provided for in Regulation No. 257 of 1991, unless the applicant is granted an exemption. Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set in Clause 4.1 will apply.

Freedom of Information Request Forms should be addressed to:

Freedom of Information Officer

District Council of Kimba

PO Box 189

Kimba SA 5641

Forms are available at the Council office. Applications will be responded to as soon as possible within the statutory forty-five (45) days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees.

#### **5. 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 Local Government Act. A member of the public may then request 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 Form as indicated above, outlining the records that he/she wishes to inspect.

APPENDIX F  
FINANCIAL STATEMENTS  
(see attached)

2014-15

# District Council of Kimba

## 2014-15 Audited Financial Statements



The upgrade of the Old Playing Courts Area



# DISTRICT COUNCIL OF KIMBA

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

### TABLE OF CONTENTS

	<u>Page</u>
<b>Council Certificate</b>	1
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	11
Note 3 - Expenses	14
Note 4 - Asset Disposal & Fair Value Adjustments	16
Note 5 - Current Assets	17
Note 6 - Non-Current Assets	18
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	19
Note 8 - Liabilities	24
Note 9 - Reserves	25
Note 10 - Assets Subject to Restrictions	26
Note 11 - Reconciliation of Cash Flow Statement	27
Note 12 - Functions	28
Note 13 - Financial Instruments	30
Note 14 - Financial Indicators	32
Note 15 - Uniform Presentation of Finances	33
Note 16 - Superannuation	34
Note 17 - Assets & Liabilities not Recognised	35
<b>Audit Report - Financial Statements</b>	
<b>Council Certificate of Audit Independence</b>	
<b>Audit Certificate of Audit Independence</b>	

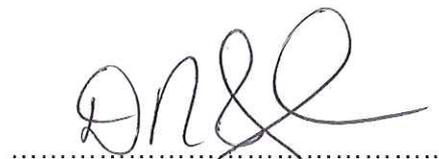
**DISTRICT COUNCIL OF KIMBA**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2015**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

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

  
.....  
Daryl Cearns  
**CHIEF EXECUTIVE OFFICER**

  
.....  
Dean Johnson  
**MAYOR**

Date: 12<sup>th</sup> August, 2015

**DISTRICT COUNCIL OF KIMBA**

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

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Rates	2	1,535,071	1,469,109
Statutory charges	2	14,463	9,552
User charges	2	98,578	108,941
Grants, subsidies and contributions	2	2,217,298	986,884
Investment income	2	45,069	48,948
Reimbursements	2	152,383	272,079
Other income	2	95,554	114,909
<b>Total Income</b>		<u>4,158,416</u>	<u>3,010,422</u>
<b>EXPENSES</b>			
Employee costs	3	1,283,353	1,213,043
Materials, contracts & other expenses	3	1,534,580	1,319,526
Depreciation, amortisation & impairment	3	1,096,523	891,194
Finance costs	3	21,724	21,367
<b>Total Expenses</b>		<u>3,936,180</u>	<u>3,445,130</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>222,236</b>	<b>(434,708)</b>
Asset disposal & fair value adjustments	4	(22,387)	(27,381)
Amounts received specifically for new or upgraded assets	2	-	530,000
<b>NET SURPLUS / (DEFICIT)</b>		<u>199,849</u>	<u>67,911</u>
transferred to Equity Statement			67,911
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	9,411,731	291,374
<b>Total Other Comprehensive Income</b>		<u>9,411,731</u>	<u>291,374</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>9,611,580</u>	<u>359,285</u>

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

## DISTRICT COUNCIL OF KIMBA

### STATEMENT OF FINANCIAL POSITION as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,290,837	1,939,264
Trade & other receivables	5	125,038	169,152
Inventories	5	51,315	30,237
<b>Total Current Assets</b>		<u>2,467,190</u>	<u>2,138,653</u>
<b>Non-current Assets</b>			
Financial assets	6	35,000	-
Infrastructure, property, plant & equipment	7	40,289,362	31,181,396
<b>Total Non-current Assets</b>		<u>40,324,362</u>	<u>31,181,396</u>
<b>Total Assets</b>		<u>42,791,552</u>	<u>33,320,049</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	107,285	175,871
Borrowings	8	60,472	94,380
Provisions	8	288,953	289,445
<b>Total Current Liabilities</b>		<u>456,710</u>	<u>559,696</u>
<b>Non-current Liabilities</b>			
Borrowings	8	81,243	141,715
Provisions	8	37,251	13,870
<b>Total Non-current Liabilities</b>		<u>118,494</u>	<u>155,585</u>
<b>Total Liabilities</b>		<u>575,204</u>	<u>715,281</u>
<b>NET ASSETS</b>		<u>42,216,348</u>	<u>32,604,768</u>
<b>EQUITY</b>			
Accumulated Surplus		12,143,406	11,943,557
Asset Revaluation Reserves	9	30,072,942	20,661,211
<b>TOTAL EQUITY</b>		<u>42,216,348</u>	<u>32,604,768</u>

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

# DISTRICT COUNCIL OF KIMBA

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

		Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2015	Notes	\$	\$	\$
Balance at end of previous reporting period		11,943,557	20,661,211	32,604,768
Restated opening balance		<u>11,943,557</u>	<u>20,661,211</u>	<u>32,604,768</u>
<b>Net Surplus / (Deficit) for Year</b>		199,849	-	199,849
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment	9	-	9,411,731	9,411,731
<b>Balance at end of period</b>		<u>12,143,406</u>	<u>30,072,942</u>	<u>42,216,348</u>
 <b>2014</b>  				
Balance at end of previous reporting period		11,875,646	20,369,837	32,245,483
Restated opening balance		<u>11,875,646</u>	<u>20,369,837</u>	<u>32,245,483</u>
<b>Net Surplus / (Deficit) for Year</b>		67,911	-	67,911
<b>Other Comprehensive Income</b>				
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	291,374	291,374
<b>Balance at end of period</b>		<u>11,943,557</u>	<u>20,661,211</u>	<u>32,604,768</u>

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

# DISTRICT COUNCIL OF KIMBA

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		1,547,419	1,460,539
Fees & other charges		15,195	10,538
User charges		130,719	88,136
Investment receipts		48,477	48,274
Grants utilised for operating purposes		2,383,595	986,884
Reimbursements		166,074	314,822
Other revenues		51,539	361,392
<u>Payments</u>			
Employee costs		(1,276,791)	(1,173,770)
Materials, contracts & other expenses		(1,755,938)	(1,532,509)
Finance payments		(14,191)	(20,355)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>1,296,098</b>	<b>543,951</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	530,000
Sale of replaced assets		142,591	44,055
Sale of surplus assets		16,363	15,000
Repayments of loans by community groups		65,000	85,540
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(797,333)	(147,814)
Expenditure on new/upgraded assets		(176,766)	(1,006,060)
Loans made to community groups		(100,000)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(850,145)</b>	<b>(479,279)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Payments</u>			
Repayments of borrowings		(94,380)	(88,605)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(94,380)</b>	<b>(88,605)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>351,573</b>	<b>(23,933)</b>
Cash & cash equivalents at beginning of period	11	1,939,264	1,963,197
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>2,290,837</b>	<b>1,939,264</b>

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

# DISTRICT COUNCIL OF KIMBA

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

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

### 2 The Local Government Reporting Entity

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

### 3 Income recognition

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

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

## **District Council of Kimba**

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

#### **Note 1 - Significant Accounting Policies (cont)**

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$309,938 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$665,079; and in June 2013, again two quarters of the 2013/14 allocation: \$685,747. Accordingly, the operating results of these periods were distorted compared to those that would have been reported had the grants been paid in a consistent manner.

These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was \$685,747, which has adversely affected the operating result for that year. In addition in the 2014/15 financial year two quarters of the 2015/16 allocation, amounting to \$678,676 was paid in advance.

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

#### **3.1 Construction Contracts**

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

#### **4 Cash, Cash Equivalents and other Financial Instruments**

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

#### **5 Inventories**

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

#### **6 Infrastructure, Property, Plant & Equipment**

##### **6.1 Land under roads**

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

##### **6.2 Initial Recognition**

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

## District Council of Kimba

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

#### Note 1 - Significant Accounting Policies (cont)

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

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

#### 6.3 Materiality

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

#### 6.4 Subsequent Recognition

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

#### 6.5 Depreciation of Non-Current Assets

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

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

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

#### 6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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

## District Council of Kimba

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

#### Note 1 - Significant Accounting Policies (cont)

##### 6.7 Borrowing Costs

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

#### 7 Payables

##### 7.1 Goods & Services

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

##### 7.2 Payments Received in Advance & Deposits

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

#### 8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

#### 9 Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	4.76% (2014, 7.44%)
Weighted average settlement period	2.34 years (2014, 2.94 years)

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

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

## District Council of Kimba

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

#### Note 1 - Significant Accounting Policies (cont)

##### 10 GST Implications

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

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

##### 11 Pending Accounting Standards

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

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

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

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

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

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

# DISTRICT COUNCIL OF KIMBA

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

### Note 2 - INCOME

	Notes	2015 \$	2014 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		1,369,053	1,331,938
Less: Mandatory rebates		(15,287)	(14,517)
Less: Discretionary rebates, remissions & write offs		(4,103)	(2,976)
		1,349,663	1,314,445
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		40,256	39,879
Waste collection		52,996	39,480
Community wastewater management systems		88,560	72,080
		181,812	151,439
<u>Other Charges</u>			
Penalties for late payment		3,683	3,615
		3,683	3,615
Less: Discretionary rebates, remissions & write offs		(87)	(390)
		1,535,071	1,469,109
<b>STATUTORY CHARGES</b>			
Development Act fees		4,127	1,767
Town planning fees		5,835	5,213
Health & Septic Tank Inspection fees		50	-
Animal registration fees & fines		4,451	2,572
		14,463	9,552
<b>USER CHARGES</b>			
Cemetery/crematoria fees		8,575	8,296
Aged Care Cottages		32,020	43,874
Recreation Reserve		6,967	7,844
Hall & equipment hire		2,848	2,834
Section 224 Lease		24,000	24,000
Health Centre		6,680	6,625
Waste Management		15,465	12,968
Sundry		2,023	2,500
		98,578	108,941
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		41,478	45,889
Banks & other		280	279
Loans to community groups		3,311	2,780
		45,069	48,948

# DISTRICT COUNCIL OF KIMBA

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

### NOTE 2 - INCOME (continued)

	Notes	2015 \$	2014 \$
<b>REIMBURSEMENTS</b>			
- for water sales		6,796	23,849
- for private works		94,743	183,514
- for building officer costs		25,437	15,368
- other		25,407	49,348
		152,383	272,079
<b>OTHER INCOME</b>			
Community Transport		-	28,220
Recreation Reserve Donations		4,884	-
Workers Compensation Scheme		28,292	26,456
Sundry		62,378	60,233
		95,554	114,909
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		-	530,000
Other grants, subsidies and contributions		2,217,298	986,884
		2,217,298	1,516,884
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		216,539	749,604
State government		2,000,759	767,280
		2,217,298	1,516,884

#### **Individually Significant Item**

On June 30 2015, Council received payment of the first two instalments of the 2015/16 Financial Assistance Grants. This represents a significant increase in income from this source for 2014/15, with an equivalent reduction in a future year.

	678,676	-
--	---------	---

## DISTRICT COUNCIL OF KIMBA

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

#### NOTE 2 - INCOME (continued)

	Notes	2015 \$	2014 \$
<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>			685,747
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Financial Assistance Grants</i>	-		(685,747)
<i>Heritage &amp; Cultural Services</i>	-		-
<i>Subtotal</i>			(685,747)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Financial Assistance Grants</i>		<b>678,676</b>	-
<i>Subtotal</i>		<b>678,676</b>	-
<i>Unexpended at the close of this reporting period</i>		<b>678,676</b>	-
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		<b>678,676</b>	(685,747)

## DISTRICT COUNCIL OF KIMBA

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

#### Note 3 - EXPENSES

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,011,928	1,025,095
Employee leave expense		146,581	163,368
Superannuation - defined contribution plan contributions	16	54,539	55,826
Superannuation - defined benefit plan contributions	16	50,706	43,291
Workers' Compensation Insurance		53,777	50,660
Other		29,199	22,434
Less: Capitalised and distributed costs		(63,377)	(147,631)
<b>Total Operating Employee Costs</b>		<b>1,283,353</b>	<b>1,213,043</b>
 <b>Total Number of Employees</b>		<b>17</b>	<b>17</b>
<i>(Full time equivalent at end of reporting period)</i>			
 <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		8,500	8,500
Elected members' expenses		99,240	58,623
Election expenses		5,215	297
Subtotal - Prescribed Expenses		<b>112,955</b>	<b>67,420</b>
 <u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		606,585	543,362
Energy		72,905	92,272
Materials		480,731	430,928
Legal Expenses		28,267	39,518
Levies paid to government - NRM levy		39,672	39,835
Subscriptions		23,859	17,972
Library Costs		16,858	12,558
Registrations and Insurances		68,969	67,017
Sundry		83,779	8,644
Subtotal - Other Materials, Contracts & Expenses		<b>1,421,625</b>	<b>1,252,106</b>
		<b>1,534,580</b>	<b>1,319,526</b>

## DISTRICT COUNCIL OF KIMBA

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

#### Note 3 - EXPENSES (cont)

	Notes	2015 \$	2014 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Plant & Machinery, Minor/Other		203,490	169,011
Office Equipmwn't & Furniture		8,355	10,042
Buildings		279,391	189,660
Infrastructure		585,377	510,963
CWMS		35,144	42,220
Stormwater Project		5,660	5,660
Wastewater Project		3,526	3,526
		1,120,943	931,082
Less: Capitalised and distributed costs		(24,420)	(39,888)
		1,096,523	891,194
 <b>FINANCE COSTS</b>			
Interest on overdraft and short-term drawdown		229	220
Interest on Loans		12,396	18,266
Unwinding of present value discounts		9,099	2,881
		21,724	21,367

## DISTRICT COUNCIL OF KIMBA

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

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

	Notes	2015 \$	2014 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		142,591	44,055
Less: Carrying amount of assets sold		<u>166,341</u>	<u>44,891</u>
<b>Gain (Loss) on disposal</b>		<u>(23,750)</u>	<u>(836)</u>
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		16,363	15,000
Less: Carrying amount of assets sold		<u>15,000</u>	<u>41,545</u>
<b>Gain (Loss) on disposal</b>		<u>1,363</u>	<u>(26,545)</u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>			
		<u>(22,387)</u>	<u>(27,381)</u>

# DISTRICT COUNCIL OF KIMBA

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

### Note 5 - CURRENT ASSETS

	2015	2014
<b>CASH &amp; EQUIVALENT ASSETS</b>		
	Notes	
	\$	\$
Cash on Hand and at Bank	66,583	135,150
Deposits at Call	2,224,254	1,804,114
	<u>2,290,837</u>	<u>1,939,264</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	22,189	34,537
Accrued Revenues	8,442	11,850
Debtors - general	13,610	35,833
GST Recoupment	5,683	29,296
Prepayments	75,114	57,636
<b>Total</b>	<u>125,038</u>	<u>169,152</u>
<b>INVENTORIES</b>		
Stores & Materials	51,315	30,237
	<u>51,315</u>	<u>30,237</u>

# DISTRICT COUNCIL OF KIMBA

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

### Note 6 - NON-CURRENT ASSETS

<b>FINANCIAL ASSETS</b>		<b>2015</b>	<b>2014</b>
<b>Receivables</b>	Notes	\$	\$
Loans to community organisations		<u>35,000</u>	<u>-</u>
<b>TOTAL FINANCIAL ASSETS</b>		<u>35,000</u>	<u>-</u>

## DISTRICT COUNCIL OF KIMBA

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

	Fair Value Level	2014 \$				2015 \$			
		AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Plant & Machinery, Minor/Other		2,947,857	222,679	(941,117)	2,229,419	2,766,517	820,840	(1,144,607)	2,442,750
Office Equipment & Furniture		-	228,152	(153,198)	74,954	-	119,144	(52,545)	66,599
Buildings	2	10,406,079	566,435	(4,815,137)	6,157,377	8,495,729	10,500	(3,924,712)	4,581,517
Buildings	3	-	-	-	-	4,934,914	-	(2,522,019)	2,412,895
Infrastructure	3	20,432,928	5,187,878	(6,011,482)	19,609,324	29,847,426	1,172,253	(5,765,030)	25,254,649
Land	2	1,455,727	161,917	-	1,617,644	1,614,906	-	-	1,614,906
Land	3	-	-	-	-	1,098,979	-	-	1,098,979
CWMS	3	2,410,040	-	(1,350,520)	1,059,520	3,456,650	-	(1,063,555)	2,393,095
Stormwater Project	3	-	251,554	(15,848)	235,706	-	251,554	(21,508)	230,046
Wastewater Project	3	-	211,556	(14,104)	197,452	-	211,556	(17,630)	193,926
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>37,652,631</b>	<b>6,830,171</b>	<b>(13,301,406)</b>	<b>31,181,396</b>	<b>52,215,121</b>	<b>2,585,847</b>	<b>(14,511,606)</b>	<b>40,289,362</b>
<b>Comparatives</b>		<b>35,969,261</b>	<b>6,989,422</b>	<b>(12,301,195)</b>	<b>30,657,488</b>	<b>37,652,631</b>	<b>6,830,171</b>	<b>(13,301,406)</b>	<b>31,181,396</b>

## DISTRICT COUNCIL OF KIMBA

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

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2015
	\$										\$
	2014 CARRYING AMOUNT	Additions		Disposals	Depreciation	Transfers		Net Revaluation			CARRYING AMOUNT
	New/Upgrade	Renewals			In	Out					
Plant & Machinery, Minor/Other Office Equipment & Furniture	2,229,419	107,506	490,655	(181,340)	(203,490)	-	-	-	-	-	2,442,750
Buildings	74,954	-	-	-	(8,355)	-	-	-	-	-	66,599
Buildings	6,157,377	-	10,500	-	(200,157)	109,008	(109,008)	1,105,926	-	-	4,581,517
Infrastructure	19,609,324	69,260	320,597	-	(79,234)	-	-	5,840,845	-	-	2,412,895
Land	1,617,644	-	-	-	-	-	-	1,096,241	-	-	1,614,906
Land	-	-	-	-	-	-	-	-	-	-	1,098,979
CWMS	1,059,520	-	-	-	(35,144)	-	-	1,368,719	-	-	2,393,095
Stormwater Project	235,706	-	-	-	(5,660)	-	-	-	-	-	230,046
Wastewater Project	197,452	-	-	-	(3,526)	-	-	-	-	-	193,926
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>31,181,396</b>	<b>176,766</b>	<b>821,752</b>	<b>(181,340)</b>	<b>(1,120,943)</b>	<b>109,008</b>	<b>(109,008)</b>	<b>9,411,731</b>			<b>40,289,362</b>
<b>Comparatives</b>	<b>30,657,488</b>	<b>1,006,060</b>	<b>243,992</b>	<b>(86,436)</b>	<b>(931,082)</b>	<b>-</b>	<b>-</b>	<b>291,374</b>			<b>31,181,396</b>

# DISTRICT COUNCIL OF KIMBA

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

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

#### Valuation of Assets

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

*Accounting procedure:* Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13

*Fair Value Measurement:* accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

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

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

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

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

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

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

*Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets:* There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

## District Council of Kimba

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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

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

Office Furniture & Equipment	\$2,500
Other Plant & Equipment	\$2,500
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,500
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	20 years
Sealed Roads – Structure	50 to 100 years
Unsealed Roads	10 to 20 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Bores	20 to 40 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

#### Land & Land Improvements

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.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

#### Buildings & Other Structures

Buildings and other structures were revalued as at 1<sup>st</sup> July, 2014 by Maloney Field Services

#### Infrastructure

Transportation assets were re-valued by Council officers and certified by Gayler Engineering at depreciated current replacement cost as at 1<sup>st</sup> July, 2014. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure were re-valued by Maloney Field Services as at 30 June 2005 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2005. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was re-valued at written down current replacement as at 1<sup>st</sup> July 2014 by Gayler Engineering. All acquisitions made after the respective dates of valuation are recorded at cost.

## **District Council of Kimba**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014**

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

##### **Plant, Furniture & Equipment**

These assets were re-valued by Council Officers at written down current replacement cost as at 1st July, 2014. All acquisitions made after the respective dates of valuation are recorded at costs

##### **All other assets**

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

## DISTRICT COUNCIL OF KIMBA

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

#### Note 8 - LIABILITIES

	Notes	2015		2014	
		\$		\$	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		66,727		140,688	
Payments received in advance		440	-	1,131	-
Accrued expenses - employee entitlements		38,590	-	30,958	-
Accrued expenses - other		1,528	-	3,094	-
		<u>107,285</u>	<u>-</u>	<u>175,871</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		60,472	81,243	94,380	141,715
		<u>60,472</u>	<u>81,243</u>	<u>94,380</u>	<u>141,715</u>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		288,953	37,251	289,445	13,870
		<u>288,953</u>	<u>37,251</u>	<u>289,445</u>	<u>13,870</u>
<i>Amounts included in provisions that are not expected to be settled within 12 months of reporting date.</i>			98,362		115,698

# DISTRICT COUNCIL OF KIMBA

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

### Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2014	Net Increments (Decrements)	30/6/2015
Notes	\$	\$	\$
Plant & Machinery, Minor/Other	1,081,473	-	<b>1,081,473</b>
Office Equipment & Furniture	7,528	-	<b>7,528</b>
Buildings	6,346,406	1,105,926	<b>7,452,332</b>
Infrastructure	10,921,833	5,840,845	<b>16,762,678</b>
Land	991,151	1,096,241	<b>2,087,392</b>
CWMS	1,312,820	1,368,719	<b>2,681,539</b>
<b>TOTAL</b>	<b>20,661,211</b>	<b>9,411,731</b>	<b>30,072,942</b>
<i>Comparatives</i>	<i>20,369,837</i>	<i>291,374</i>	<i>20,661,211</i>

#### **PURPOSES OF RESERVES**

##### **Asset Revaluation Reserve**

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

## DISTRICT COUNCIL OF KIMBA

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

#### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

		2015	2014
	Notes	\$	\$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Community Wastewater Management Scheme		<u>257,586</u>	<u>238,942</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<u>257,586</u>	<u>238,942</u>

*The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance.*

Bank Overdraft	8	100,000	100,000
----------------	---	---------	---------

# DISTRICT COUNCIL OF KIMBA

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

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	<u>2,290,837</u>	<u>1,939,264</u>
Balances per Cash Flow Statement		<u>2,290,837</u>	<u>1,939,264</u>

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

Net Surplus (Deficit)	199,849	67,911
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,096,523	891,194
Net increase (decrease) in unpaid employee benefits	21,422	37,622
Premiums & discounts recognised & unwound	9,099	2,881
Grants for capital acquisitions treated as Investing Activity	-	(530,000)
Net (Gain) Loss on Disposals	<u>22,387</u>	<u>27,381</u>
	1,349,280	496,989
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	44,114	(49,576)
Net (increase) decrease in inventories	(21,078)	(10,954)
Net increase (decrease) in trade & other payables	<u>(76,218)</u>	<u>107,492</u>
<b>Net Cash provided by (or used in) operations</b>	<u>1,296,098</u>	<u>543,951</u>

**(d) Financing Arrangements**

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

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	42,000	42,000
LGFA Cash Advance Debenture facility	300,000	200,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short drawn-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority.

## DISTRICT COUNCIL OF KIMBA

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

#### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES											
Administration Public Order & Safety Health Social Security & Welfare Housing & Community Affairs Recreation & Culture Agriculture Transport & Communication Economic Affairs Mining Manufacturing & Construction Other Purpose <b>TOTALS</b>	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2015	2014	2015	2014	
	2015	2014	2015	2014	2015	2014	\$	\$	\$	\$	
	3041914	1,997,550	919,108	655,678	2,122,806	1,341,872	1,551,828	509,572	3,098,164	2,930,286	
	30055	34,832	128,121	130,878	(98,066)	(96,046)	-	-	813,617	781,184	
	6729	6,625	32,622	34,096	(25,893)	(27,471)	-	-	371,087	427,559	
	32020	8,220	166,660	37,795	(134,640)	(29,575)	-	-	1,246,812	146,073	
	205777	174,752	307,765	383,653	(101,988)	(208,901)	-	-	3,380,349	1,699,545	
	12722	25,976	400,396	309,949	(387,674)	(283,973)	2,907	2,784	3,929,603	2,719,803	
	-	23,849	-	89,141	-	(65,292)	-	-	10,776	207	
	688200	485,352	1,858,468	1,167,455	(1,170,268)	(682,103)	662,563	1,004,528	28,644,320	22,536,445	
	44,896	69,522	122,493	368,914	(77,597)	(299,392)	-	-	828,965	1,709,652	
	94,743	183,744	547	180,119	94,196	3,625	-	-	2,902	16,336	
	1,360	-	-	87,452	1,360	(87,452)	-	-	464,957	352,959	
	<b>4,158,416</b>	<b>3,010,422</b>	<b>3,936,180</b>	<b>3,445,130</b>	<b>222,236</b>	<b>(434,708)</b>	<b>2,217,298</b>	<b>1,516,884</b>	<b>42,791,552</b>	<b>33,320,049</b>	

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

# DISTRICT COUNCIL OF KIMBA

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

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

The activities relating to Council functions are as follows:

#### **Administration Activities**

Governance, Administration, 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, LGCC - General Purpose and Separate and Special Rates.

#### **Public Order and Safety**

Public Order and Safety, Other Fire Protection, Other Public Order and safety, Cemeteries, Public Conveniences, Car Parking and Other Community Amenities, Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control and Other Regulatory Services.

#### **Health**

Immunisation, Health Services and Other Health Services.

#### **Social Security and Welfare**

Community Support, Elderly Citizens Facilities, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support and Community Amenities.

#### **Housing and Community Affairs**

Waste Management, Domestic Waste, Green Waste, Recycling, Waste Disposal Facility, Other Waste Management, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy and Other Environment and Sewerage/CWMS.

#### **Recreation and Culture**

Park and Gardens, Sports Facilities - Outdoor, and Other Recreation, Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries and Other Cultural Services..

#### **Agriculture**

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare and Other Agricultural Services..

#### **Mining, Manufacturing and Construction**

Gravel Pits/Quarries, Development of Land for Resale and Private Works.

#### **Transport and Communication.**

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

#### **Economic Affairs**

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

## DISTRICT COUNCIL OF KIMBA

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

#### Note 13 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<p><b>Bank, Deposits at Call, Short Term Deposits</b></p>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0% and 2.5% (2014: 0% and 2.75%). Short term deposits have an average maturity of 24 hours and an average interest rates of 2.40% (2014: 24 hours , 2.53%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b></p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 2% (2014: 2%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables - Fees &amp; other charges</b></p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables - other levels of government</b></p>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities - Creditors and Accruals</b></p>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities - Interest Bearing Borrowings</b></p>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 6% and 7% (2014: 6% and 7%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities - Finance Leases</b></p>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

## DISTRICT COUNCIL OF KIMBA

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

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

##### Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	2,292,236			2,292,236	2,290,837
Receivables	137,849	-	-	137,849	137,849
<b>Total</b>	<b>2,430,085</b>	<b>-</b>	<b>-</b>	<b>2,430,085</b>	<b>2,428,686</b>
<b>Financial Liabilities</b>					
Payables	67,067	-	-	67,067	67,167
Current Borrowings	68,680	-	-	68,680	60,472
Non-Current Borrowings	-	92,609	-	92,609	81,243
<b>Total</b>	<b>135,747</b>	<b>92,609</b>	<b>-</b>	<b>228,356</b>	<b>208,882</b>
2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	1,939,264	-	-	1,939,264	1,939,264
Receivables	134,615	-	-	134,615	134,615
<b>Total</b>	<b>2,073,879</b>	<b>-</b>	<b>-</b>	<b>2,073,879</b>	<b>2,073,879</b>
<b>Financial Liabilities</b>					
Payables	141,819	-	-	141,819	141,819
Current Borrowings	108,342	-	-	108,342	94,380
Non-Current Borrowings	-	148,058	13,230	161,288	141,715
<b>Total</b>	<b>250,161</b>	<b>148,058</b>	<b>13,230</b>	<b>411,449</b>	<b>377,914</b>

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	6.4	141,715	6.4	236,095
		<u>141,715</u>		<u>236,095</u>

#### Net Fair Value

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

#### Risk Exposures

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

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

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

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

# DISTRICT COUNCIL OF KIMBA

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

### Note 14 - FINANCIAL INDICATORS

	2015	2014	2013
--	------	------	------

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

**Operating Surplus Ratio**

<u>Operating Surplus</u>	15%	(30%)	16%
Rates - general & other less NRM levy			

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

**Adjusted Operating Surplus Ratio**

	(31%)	18%	15%
--	-------	-----	-----

*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	(45%)	(46%)	(44%)
Total Operating Revenue			

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

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	77%	12%	27%
Infrastructure & Asset Management Plan required expenditure			*

*Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*

## DISTRICT COUNCIL OF KIMBA

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

#### Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2015 \$	2014 \$
Income	4,158,416	3,010,422
less Expenses	<u>3,936,180</u>	<u>3,445,130</u>
<b>Operating Surplus / (Deficit)</b>	<b>222,236</b>	<b>(434,708)</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	797,333	147,814
Depreciation, Amortisation and Impairment	(1,096,523)	(891,194)
Proceeds from Sale of Replaced Assets	<u>(142,591)</u>	<u>(44,055)</u>
	<b>(441,781)</b>	<b>(787,435)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	176,766	1,006,060
Amounts received specifically for New and Upgraded Assets	-	(530,000)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>(16,363)</u>	<u>(15,000)</u>
	<b>160,403</b>	<b>461,060</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>503,614</u></b>	<b><u>(108,333)</u></b>

# DISTRICT COUNCIL OF KIMBA

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

### Note 16 – SUPERANNUATION

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

#### Accumulation only Members

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

#### Salarylink (Defined Benefit Fund) Members

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

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

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

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

# DISTRICT COUNCIL OF KIMBA

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

### **Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

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

**1. LAND UNDER ROADS**

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

At reporting date, Council controlled 1,714 km of road reserves of average width 20 metres.



## Independent Audit Report to the Members of the District Council of Kimba

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

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

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

### Auditor's Responsibility

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

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

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

### Independence

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

### Auditor's Opinion

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

A handwritten signature in black ink, appearing to read 'Ian G Mc Donald'.

**Ian G Mc Donald FCA**  
**Chartered Accountant**  
**Registered Company Auditor**

Liability limited by a scheme approved under Professional Standards Legislation

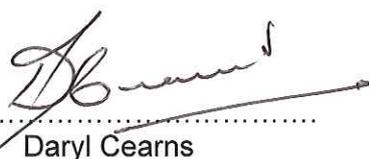
Signed this 19<sup>th</sup> day of September 2015, at Adelaide, South Australia

**DISTRICT COUNCIL OF KIMBA**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2015**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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



.....  
Daryl Cearns  
**CHIEF EXECUTIVE OFFICER**



.....  
Mayor Dean Johnson  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Date: 17<sup>th</sup> day of August 2015

**DISTRICT COUNCIL OF KIMBA**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2015**

**STATEMENT BY AUDITOR**

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

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



**Ian G McDonald FCA**

Dated this 18th day of August 2015

APPENDIX G  
EPLGA Annual Report 2014/2015  
(see attached)



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

# *Annual Report* *2014/2015*



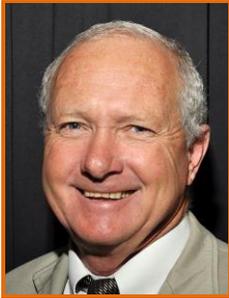
© David Crawford 2015



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



## THE PRESIDENT'S REPORT



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

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

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

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

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

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

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

Some of the highlights for 2014/2015 included:

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

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



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

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

**MAYOR BRUCE GREEN**

---



## THE REGION

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

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

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

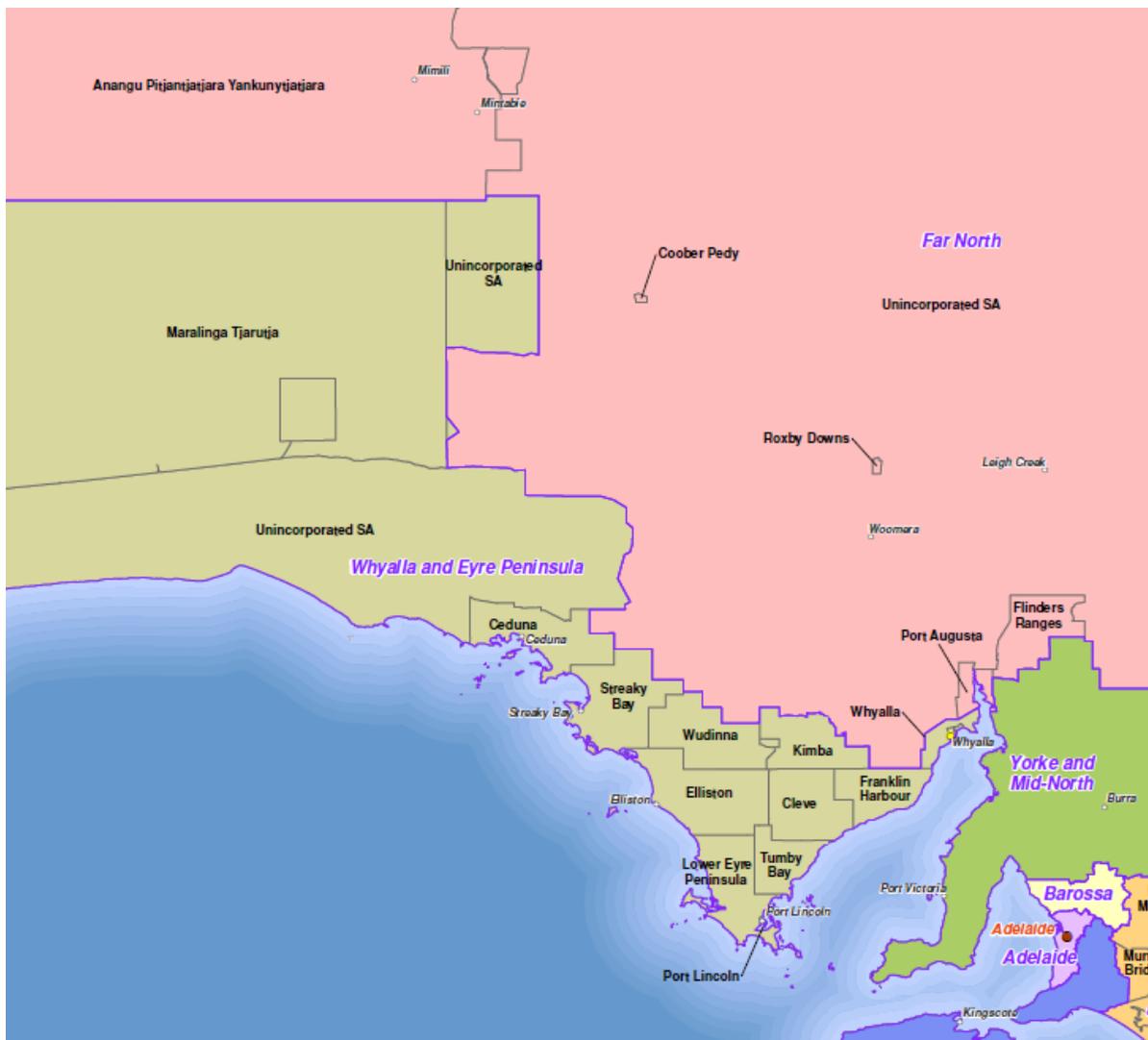


Figure 1: Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.



**Regional Population and Local Government**

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

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

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

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

RDAWEP Local Government Land Areas and Population 2011.

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

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

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



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

### Population Ageing

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

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

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

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

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

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

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

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

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

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



## **Regional Economy**

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

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

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

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

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

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

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

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

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



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

### *A Region of Quality*

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

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

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

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

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

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

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



## MEMBER COUNCILS 2014/2015:

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

## THE REPRESENTATIVES

### *Executive:*

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

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

### *Other Regional Organisations:*

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

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

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

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

#### **Zone Emergency Management Committee:**

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

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

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



### EPLGA Board Members 2014/15

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

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

### ANNUAL CONFERENCE SCHEDULE

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

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

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



## REPORT OF ACTIVITIES 2014/15

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

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

## PROJECTS 2014/2015

### *Regional Training*

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

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



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

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

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

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

### ***Emergency Planning***

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

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

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

The program includes:

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

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

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



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

## **EPLGA CEO COMMITTEE**

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

The Committee's role is to:

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

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

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

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

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

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

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

## **EP INTEGRATED CLIMATE CHANGE ADAPTATION**

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

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

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



## REGIONAL WATER RE-USE PLANNING AND FUNDING

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

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

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

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

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

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

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

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

## REGIONAL TRAINING

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

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

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



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

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

## **MANAGEMENT PLAN REVIEW**

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

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

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

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

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

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

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

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

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

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

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

1.5 Continue to advocate for roads funding opportunities.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

*Comment: Still managing media in-house.*

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

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

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

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

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

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

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

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

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

- 4.5 Review our Charter.

*Comment: Completed in Dec 2013*

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

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



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

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

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

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

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

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

*Comment: Funding included in the budget.*

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

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

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

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

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

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

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

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

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

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

*Comment: COMPLETED as independent evaluation.*



## KEY PERFORMANCE INDICATORS

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

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



## USE OF FINANCIAL RESOURCES

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

### EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

##### CONTENTS

Statement of Income & Expenditure

Balance Sheet

Notes to the Accounts

Board Certificate

Audit Report



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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

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

	2015	2014
	\$	\$

**NOTE 2 - Grants Received**

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

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

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

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



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

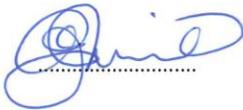
**BOARD CERTIFICATE**

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

The Board of the association declares that:

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

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

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

Dated this 9 day of September 2015



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

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

To the members of Eyre Peninsula Local Government Association,

*Report on the financial report*

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

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

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

*Auditor's responsibility*

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

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

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

*Liability limited by a scheme approved under Professional Standards Legislation*

**Gill Penfold Kelly Pty Ltd** > growth, profits and knowledge - the keys to your business success



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

*Auditor's opinion*

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

Gill Penfold Kelly Pty Ltd

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