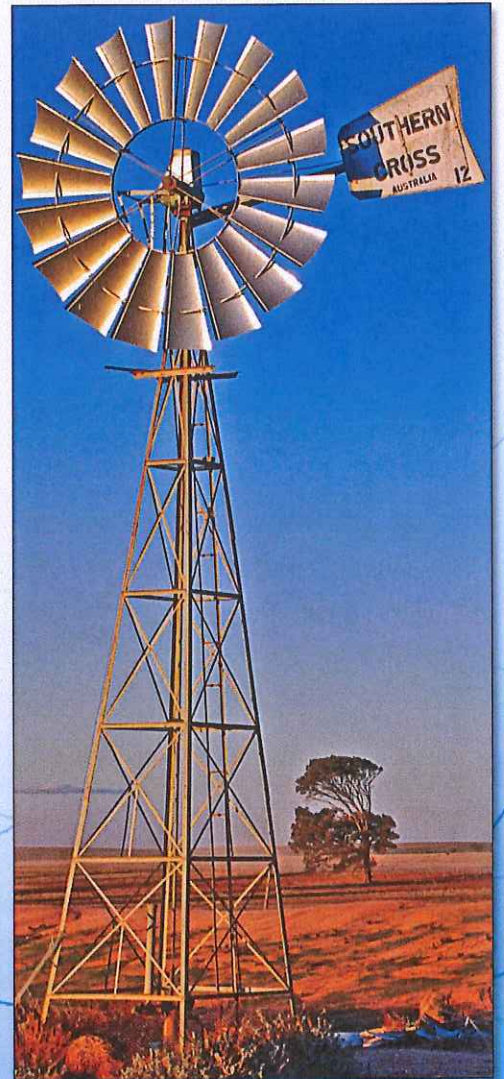
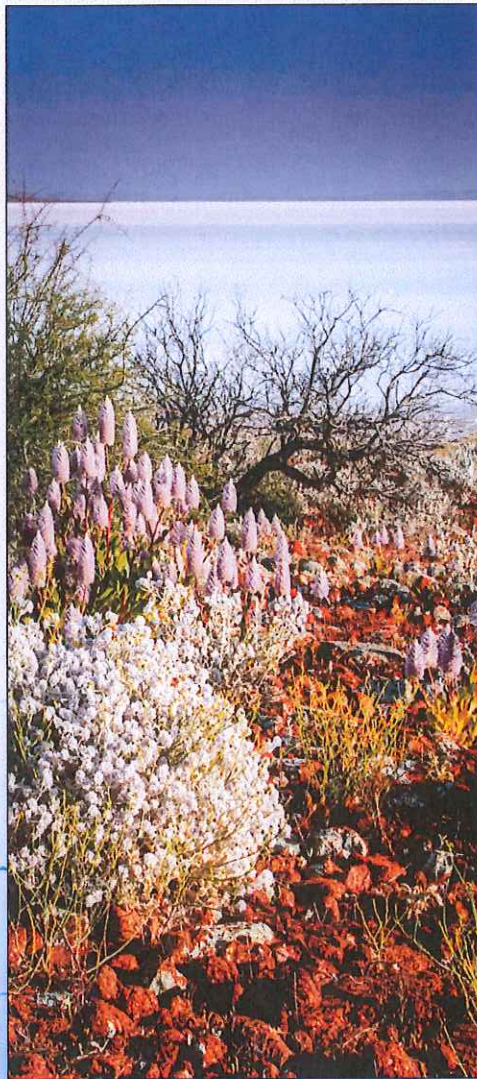
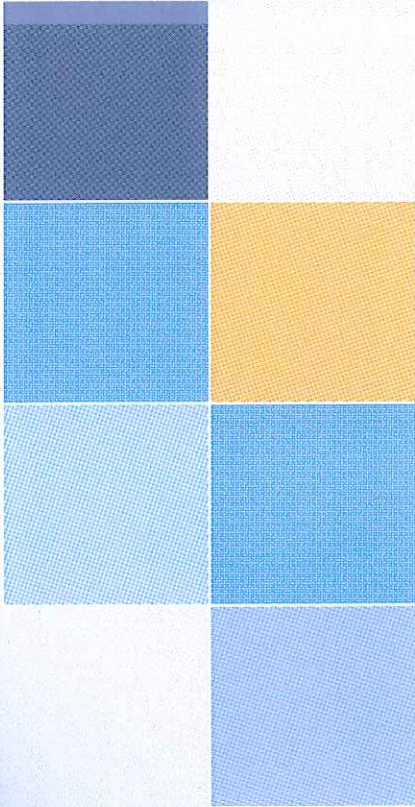




District Council of
KIMBA
EST. 1924

Annual Report

2015/16



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Mayors Comments

Once again, it is pleasing to report on a strong, consistent and united year within the District Council of Kimba. Our management team lead by CEO, Daryl Cearns, MCS, Deb Larwood and Works Manager, Michael Inglis are to be congratulated on developing and maintaining a team attitude and culture that has produced outstanding results for our community.

At a strategic level, I wish to thank and acknowledge Deputy Mayor, Graeme Baldock and all elected members for an outstanding effort. I honestly believe there is no council in South Australia that works harder, nor more diligently than the combined District Council of Kimba.

Without doubt, the shortlisting of two sites for the proposed National Radioactive Waste Facility, in our council area, has been the toughest and most difficult issue ever faced within our council. Despite criticism from some, council fulfilled its promise to support and guide our community through this federal run process, which eventually saw just one site, (Barndioota), taken through to the final stages. Thanks to all elected members, management and staff for their solidarity and significant support throughout this long and difficult process.

I am bitterly disappointed that we have not yet been successful in securing a resident GP for our district. This in no way reflects the efforts and resources we have allocated to this problem. Council is committed to find a solution as soon as humanly possible as well as lobbying state and federal organisations to develop better strategies and programs for rural communities now and into the future. Hopefully we can report more positive news in the near future.

Despite the difficulties, it has been a fantastic year for our Council and we continue to meet all our challenges and obligations head on. There will be more ahead, with finding a successor for our CEO Daryl Cearns amongst the most important, due to his impending retirement. That said, challenges are also opportunities and councils focus will always be to make the best possible decisions for our community now and into the future.

Mayor Dean Johnson



Chief Executive Officer Comments

While 2015/2016 has seen Council continue to maintain and improve our assets and meet all legislative requirements the continual uncertainty of grant funding, especially the failure of the Federal Government to re-introduce indexation of the Financial Assistance Grants to at least keep pace with the C.P.I.

The two biggest issues Council and the community faced during the financial year were the nominations of 2 properties to house a low/intermediate level nuclear waste storage facility in the Kimba District and the lack of a permanent doctor for Kimba. The Federal Minister decided that both sites in the Kimba district would not progress to round 2 of the decision making stage for such a facility. Council have agreed to allocate substantial funds and time to attract a permanent doctor for Kimba. Mayor Dean Johnson has been the face of Council with regard to both of these issues and has to be congratulated on the time and effort he has and continues (doctor) to put into the issues.

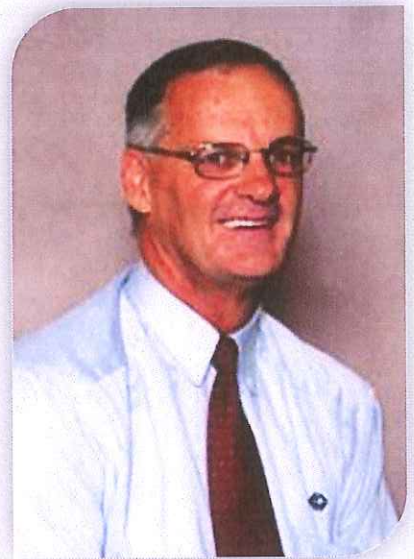
In 2016/17 Council, in consultation with residents input intends as a matter of urgency to develop a long term Economic Plan whose prime objective will be to find ways of strengthening the current businesses but to also attract new businesses to Kimba.

Council continues to receive many positive comments about the cleanliness of the town and the fantastic recreation and sporting facilities in Kimba. The residents, volunteers, businesses and Council staff are to be congratulated on their efforts in keeping up the good work.

On a personal view I would like to thank the Mayor, Councillors, my two senior managers and staff for their progressive and committed attitude to their community. As you would be aware I will be retiring on the 28th October 2016 and need to note that I have enjoyed every minute of the 12 years I have spent in Kimba.

In my time at Kimba it is clear that Kimba is a strong and resilient community and it should be remembered that from time to time a divisive issue will come up for debate and decision. Such an issue should not be allowed to replace friendships or the ongoing strength of the community.

Daryl Cearns



Manager of Corporate Services

Comments

The 2015-16 year has seen the undertaking of an extensive road renewal programme aided by additional funding through the Federal Roads to Recovery Programme as well as several other major projects including extensions to the Administration Building. Despite ongoing pressures to 'do more with less' Council maintains its strong financial position with an operating surplus of \$260,136, however, this figure is distorted by increased 'one off' funding and further efficiencies need to be undertaken to consolidate Council's future financial performance. Main revenue sources included Rates, Financial Assistance Grants and Roads to Recovery funding with major expenditure in the areas of Governance and Administration, Council's Road Network and the maintaining of Plant and Machinery.

This year Council also completed a comprehensive review of the Strategic Plan as required under Section 122 of the Local Government Act 1999. Through an inclusive consultation process Council aimed, in this plan, to capture the aspirations of the community to allow for the allocations of resources over the next four years. In addition Council continued its commitment to achieving long-term financial sustainability with further in-depth reviews of the Asset Register, Long Term Financial Plan and Asset and Infrastructure Management Plan. These plans will allow for a structured approach to the provision of services and use of resources into the future.

This year has seen several changes in staff throughout the Administration Office. We welcomed Georgina Shirley in a position involving Records Management, Tourism and Personal Assistant duties to replace Chloe Hanan whilst on maternity leave. Georgina has become an integral part of the organisation. In addition we welcomed Shylie Harris back from maternity in the role of Development and Debtors.

Council has also performed well throughout the year in Work Health and Safety and continued to strive for further improvements in this area. In addition the Tourism Committee has been very active with strong and enthusiastic membership with some solid ideas to increase Tourism participation in Kimba. Council has also committed to providing a more active profile within social media.

In the latter part of the year our current CEO, Daryl Cearn, announced his upcoming retirement. Daryl has been a great mentor to both myself, the staff and elected body. I would like to extend my thanks to him for the dedication he has shown to both Council and Community and the strong leadership he has provided throughout his time at Kimba. I wish him all the best in his retirement. In addition I would like to extend my thanks to the staff and elected body for their continued support of my role and I look forward to working with them in the year ahead.



Deb Larwood

Works Manager Comments

The 2015/16 financial year was a very busy period in regards to the operational activities of the Council. During this period Council's workshop manager, Joel Fitzgerald resigned to work on the family farm. Joel was a valued member of staff and we wish him all the best. Council has been fortunate to find a very capable replacement in Rodney Feigert and we welcome him into the team. Additional short term funding increases have allowed Council to employ Chris Kenchington on a contract basis. This position has allowed Council to continue providing exceptional service by assisting the town works team.

Additional Roads to recovery funding has enabled Council to increase its road construction and maintenance line considerably. Approximately 28kms of re-sheeting was completed along with \$200,000.00 spent on reseals. The re-sheeting component of this was double on what was done in 2014/15. Careful planning and continued productivity gains allowed this work along with the rest of the operational areas to be completed.

Council continues to maintain its focus on the presentation of the township as well. We received much positive feedback on the upgrades completed. These upgrades along with the continued maintenance schedule further enhance and promote the township of Kimba not only to locals, but to many visitors that are staying in town or passing through. Major upgrades include;

- ✓ South Terrace - new kerbing, paving and reseal
- ✓ Martin Terrace - landscaping across hospital grounds frontage
- ✓ High Street - Replacement paving
- ✓ Recreation Reserve - Pine and rail fencing
- ✓ Tourist Paths

Compliance and regulatory obligations are an ever increasing burden on all our activities. During the financial year staff have completed a number of statutory plans and met requirements from the following, to name a few;

- ✓ EPA- Landfill
- ✓ ESCOSA- CWMS
- ✓ Department of Health- CMS
- ✓ DPTI- Aerodrome Master Plan

Council's outside workforce have again proven to be very capable and diligent in providing services to the community. Senior management and Council are both proactive and encouraging which enables all staff to benefit by being in a positive environment.

I would like to take this opportunity to wish our CEO, Daryl Cearns and his wife Catherine all the best in their retirement. Daryl finishes on the 28th October 2016 and has been an exceptional leader to all levels of staff and council. We congratulate Deb Larwood, our new incoming CEO and look forward to continuing on all the good work that has been done over the last decade.

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.

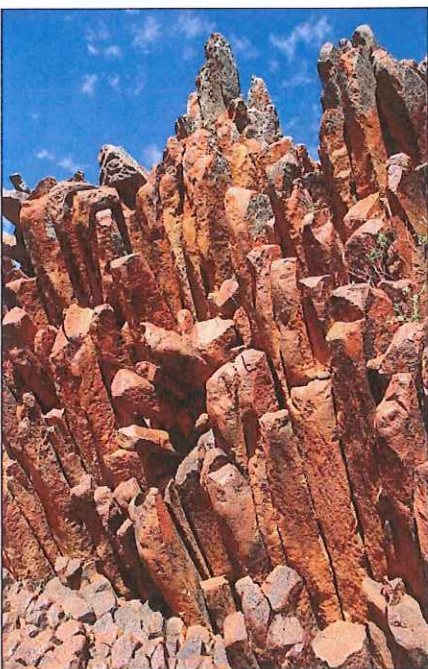
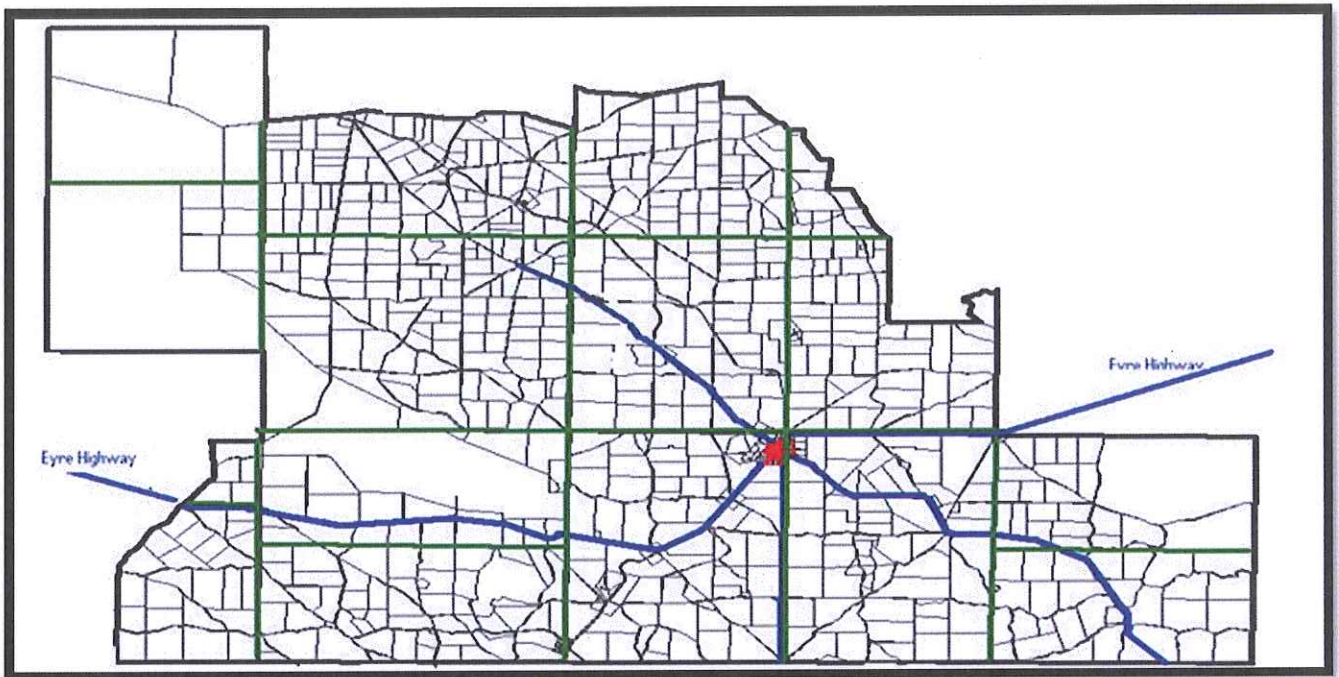
Values and Principles

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.



District Council of Kimba is strategically located Half Way Across Australia on the Eyre Highway, National Highway One. Kimba covers an area of 3,500 square kilometres, with an estimated resident population of 1,085. 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

Mayor

D. N. Johnson
 PO Box 209
 Kimba SA 5641
 Tel: (08) 8627 2442
 Fax: (08) 8627 2566
 Mobile: 0427 619 815
 Email:



dckimbadm@gmail.com

Allowance: \$28760
 Reimbursement: \$716.10
 Attended 12/12 Council meetings

Deputy Mayor

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

Allowance: \$7185.93
 Reimbursements \$1724.80
 Attended 11/12 Council meetings

Councillor A.M. Lienert

PO Box 449
 Kimba SA 5641
 Tel: (08) 8627 4042
 Fax: (08) 8627 4082
 Mobile: 0428 274 042
 Email:



lienertco@gmail.com

Allowance: \$5748.75
 Reimbursements \$2282.28
 Attended 12/12 Council meetings

Councillor B. S. Cant

PMB 4
 Cleve SA 5640
 Tel: (08) 8627 5012
 Fax: (08) 8627 5082
 Mobile: 0427 275 012
 Email:

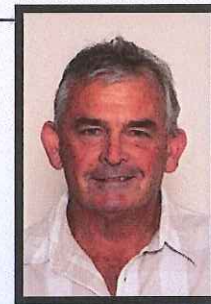


bscant60@gmail.com

Allowance: \$5748.75
 Reimbursements: \$877.80
 Attended 12/12 Council meetings

Councillor P.T. Arcus

PO Box 526
 Kimba SA 5641
 Tel: (08)
 Fax: (08)
 Mobile: 0448 908 363
 Email:



philarcus@gmail.com

Allowance: \$5748.75
 Reimbursements \$0
 Attended 11/12 Council meetings

Councillor G.J. Churchett

PO Box
 Kimba SA 5641
 Tel: (08) 8627 2013
 Fax: (08) 8627 2591
 Mobile: 0427 951 958
 Email:



geoffchurchett@hotmail.com

Allowance: \$7185.93
 Reimbursement: \$220.40
 Attended 9/12 Council meetings

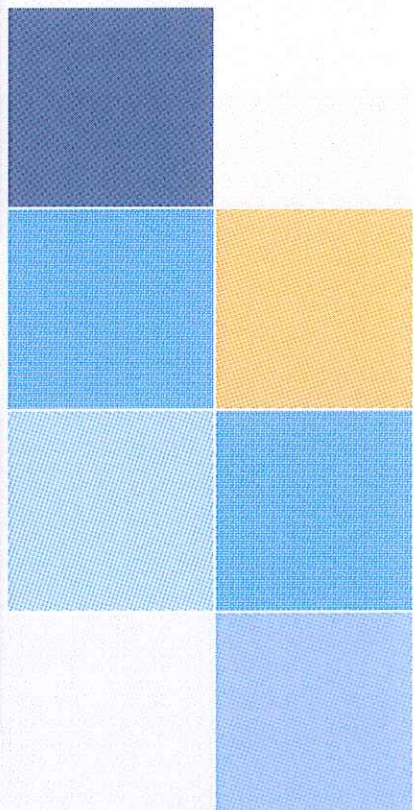
Councillor P.S. Rayson

PO Box 39
 Kimba SA 5641
 Tel: (08) 8627 8070
 Mobile: 0428 278-070
 Email:



pkrayson@bigpond.com

Allowance: \$5748.75
 Reimbursement: \$1004.08
 Attended 12/12 Council meetings



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

Council Representation

Training & Development Activities available for Members of Council

Council Members were provided with the opportunity to undertake Training & Development during 2015/2016. 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.

OTHER BODIES:

Local Government Association of S.A.	Mayor D N Johnson, Proxy – Deputy Mayor G J Baldock
Eyre Peninsula Local Government Association	Mayor D N Johnson Proxy – Deputy Mayor G J Baldock
Regional Development Assessment Panel	Cr B S Cant
Kimba School Community Library Board	Mayor D N Johnson
Kimba Community Development Group	Cr P T Arcus
Kimba Area School Governing Council	Cr A M Lienert

COUNCIL COMMITTEE REPRESENTATIVES:

District Council of Kimba Australia Day Awards Selection Committee

Cr G Churchett (Council representative)
Scott Francis (Kimba Area School Governing Council representative)
Marilyn Stutley (Kimba Community Development Group representative)
Tony Rowe (Kimba Lions Club representative)
Hayden Whitwell (APEX representative)
Advisory – Deb Larwood (Manager Corporate Services)

Kimba Tourism Committee

Cr G Churchett
Cr P T Arcus
Kerri Cliff
Marilyn Stutley
Pat Beinke
Bruce Mathews
Heather Baldock (commenced Oct 2015)
Advisory - Deb Larwood, Chloe Hanan (until Oct 2015), Georgina Shirley (commenced Oct 2015)

District Council of Kimba Bushfire Prevention Advisory Committee

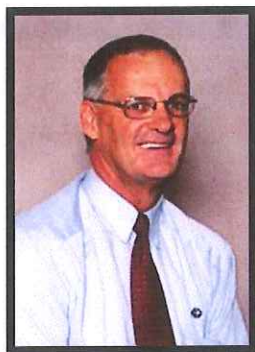
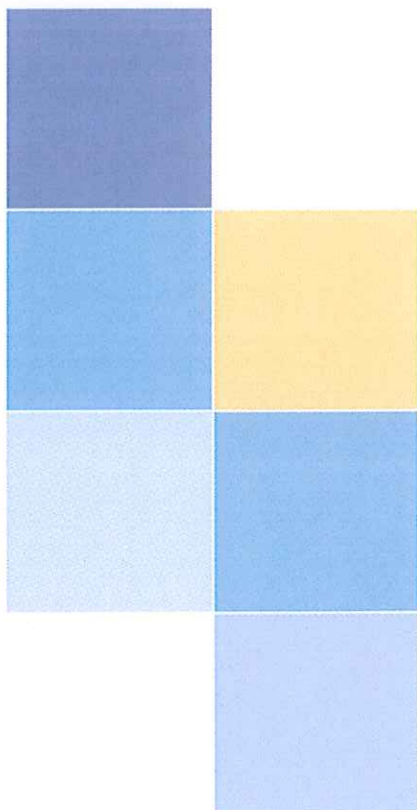
Cr B S Cant
Cr G J Baldock
James Woolford (CFS Buckleboo)
Alexander Cant (CFS Waddikee from 29.7.15)
Rob Dart (Yalanda James)
Trevor Clifford (CFS Kimba)
Tristan Baldock (Caralue Group Officer)
Ian Davey (Caralue Group Officer)
George Kozminski (SA CFS)
Joe Tilley (Department of Environment and Natural Resources)
Joel Fitzgerald (District Council of Kimba – until January 2016)
Paul Rogers (commenced after J Fitzgerald)
Advisory Staff -Debra Larwood, Michael Inglis, Daryl Cearns

District Council of Kimba Audit Committee

Mayor D N Johnson
Cr A M Lienert
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.

Council Employees



Daryl CEARNS
Chief Executive Officer



Deb LARWOOD
Manager Corporate Services



Jo SCHAEFER
Administration Officer
Rates & Finance



Deb KEMP
Administration Officer
Payroll/WHS Officer



Shylie HARRIS
Administration Officer
Development/Debtors
Returned from maternity leave 3/6/16



Chloe HANAN
Administration Officer
Records
Commenced maternity leave
October 2015



Paul ROGERS
Depot Administration



Georgina SHIRLEY
Administration Officer Records
Commenced 10/9/15

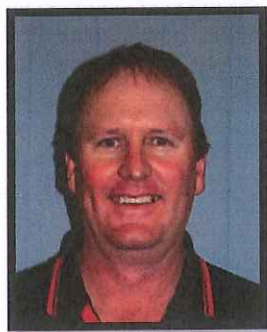
District Council of
Kimba
Administration
employees during the
2015-2016 year.

AUDITOR

Council's Auditor, Dean Newbery & Partners, was appointed on 1st July 2015, for a 2 year period, with an option for a further three year extension. Fees paid to them in 2015/2016 were:

- Audit fee and charges \$4,250.00 (Accrued fees of \$13,000 plus travel and accommodation)

Council Employees



Michael INGLIS
Works Manager



Michael KEMP
Town Supervisor



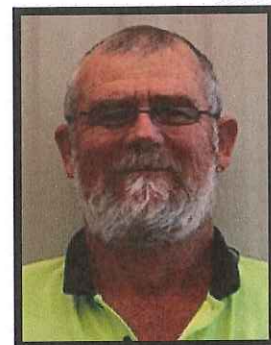
Shane Harris
Road & Construction
Supervisor



Rodney FIEGERT
Workshop Supervisor
Commenced 4/4/16



Peter ADLER
Multi Skilled Operator



Mark STEWART
Multi Skilled Operator



Tony LARWOOD
Town & Depot Services



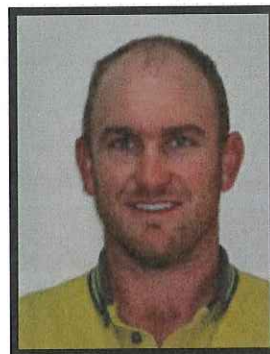
Colin MATTHEWS
Multi Skilled Operator



Zane Stutley
Town & Depot Services



Chris KENCHINGTON
Town & Depot Services



Joel FITZGERALD
Workshop Supervisor
Resigned 27/1/16

District Council of
Kimba Works
employees during the
2015-2016 year.

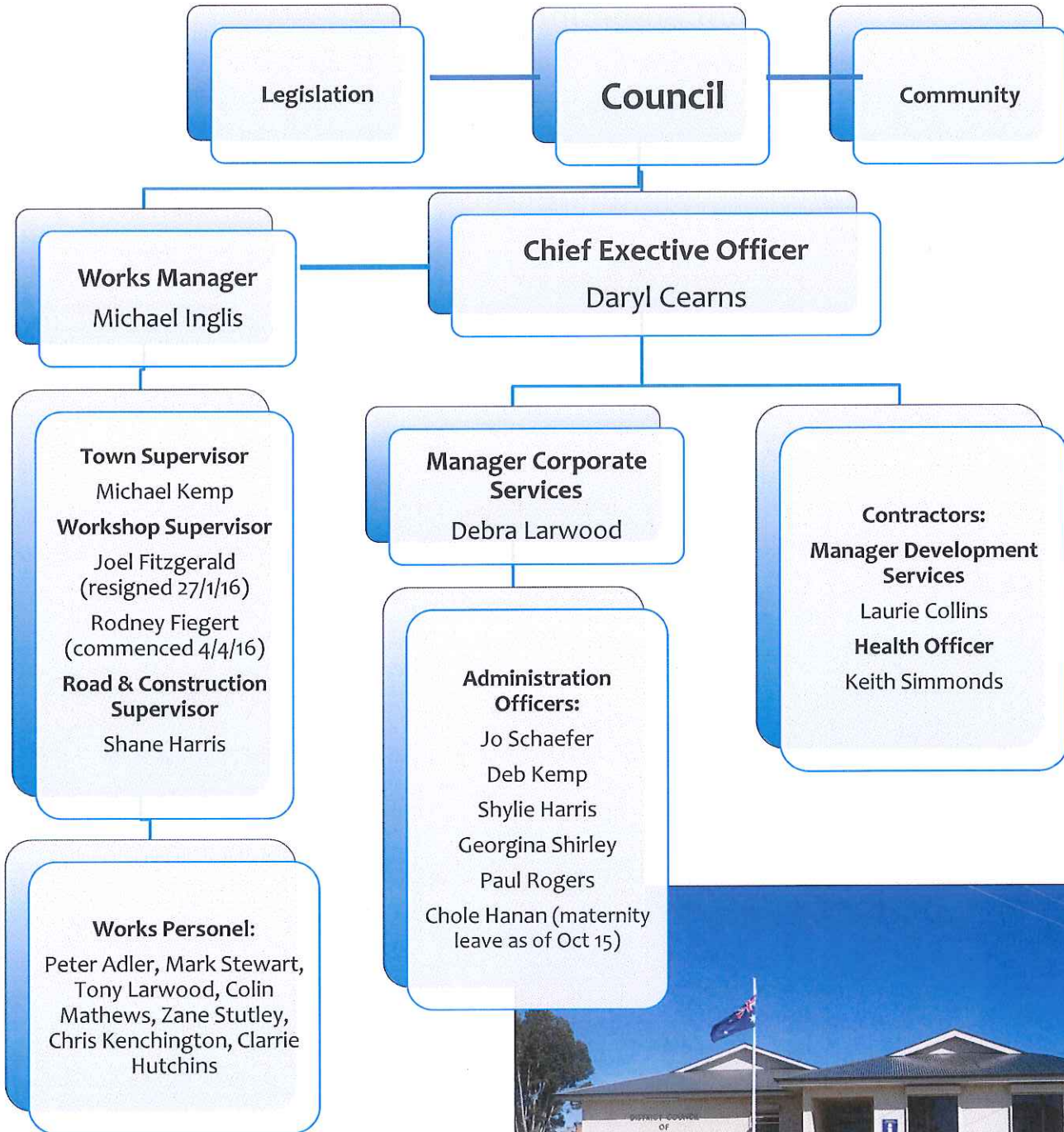
Casual/Contracts;

Clarrie HUTCHINS Refuse
and Recycling Centre
Supervisor

Lana SHADWELL –
Cleaning Contract

Lesley COCKS – Cleaning
Contract

Organisation Chart & Decision Making Structure





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 766 voters on the House of Assembly and 3 on the Chief Executive Roll. Elector Representation Quotas for 2015-2016 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	7	115
Murray		
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 1st 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 10th 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)

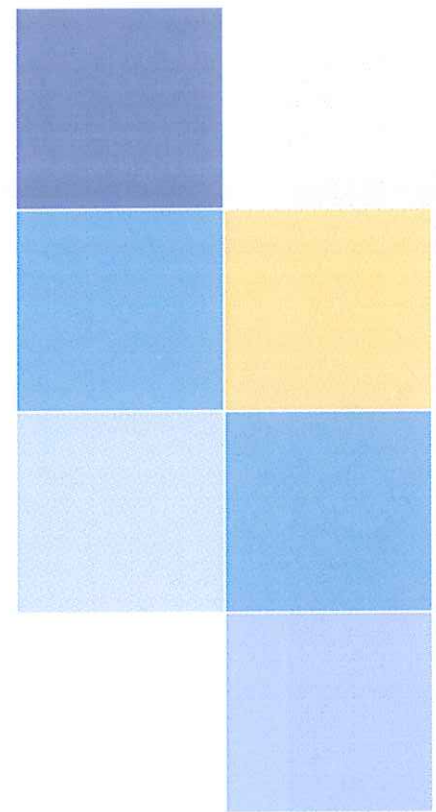
Kimba Soldiers Memorial Institute Rental

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 \$1154.72 per year
Kimba A H & F Society \$1003.69 per year
Kimba Cricket Club \$1154.72 per year
Kimba Pony Club Inc. \$113.95 per year



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 %
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	-0.34	2.1100	2.18
2014/2015	1,535,071	.5820	-1.36	2.301	9.05
2015/2016	\$1,555,017	.5793	-0.46	2.36	2.56



Public & Environmental Health

The District Council of Kimba contracted the services of a qualified Environmental Health Officer, Mr. Keith Simmonds until he tendered his resignation in November 2015. Council is now utilising the Services of the City of Tea Tree Gully in this role. Inspections of food handling and preparation premises are undertaken, with the overall aim to ensure that all such premises are operating to satisfactory standards. Each operation is assisted 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 30th June 2016 were:

Sunday 9 am – 12 pm
Tuesday 9 am – 11 am
Thursday 9 am – 11 am

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 \$1,124,957. 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
2015/2016	29 applications	\$ 1,124,957

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

Services:

- FREE computer internet access
- FREE WIRELESS laptop internet access
- Community information facilities
- Laminating & Scanning
- Photocopying and printing
- Hostel, Senior Citizens deliveries
- Hospital & home visits
- Premiers Reading Challenge
- New Born Project
- Baby Bounce & Rhyme Time
- Daily Advertiser and weekly Tribune
- Adult Reading Group
- School Holiday Activity Program
- Scholastic Book Club
- Use of facilities for meetings and workshops
- Loan of resources including multimedia projector, overhead projector & screens

Complaint/Request Procedure

In 2015/2016 we received 212 complaint and request forms, consisting of:

• Kimba Pioneer Memorial Village	27
• Public Toilets	20
• Dogs/Cats	4
• Roads/Footpaths	32
• Parks, Garden & Trees	25
• Private/In-kind Works	34
• Other (including Institute, Council buildings etc.)	70

All requests/complaints were completed as at 30th June, 2016 except 3 requests.

Two were in relation to tree removals, which will be dealt with when the removalists Visit next. The other related to flood damage and there have been no re-occurrences since the issue was raised.

STRATEGIC MANAGEMENT PLAN AND ANNUAL BUSINESS PLAN

Council adopted its 2016-2020 Strategic Management Plan in June 2016. 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 an Infrastructure and Asset Management Plan, all of which were improved further during 2015-16. 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 Council's 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 2015-16

Council recorded an operating surplus of \$248,776 in 2015-2016 Income exceeded expenses by \$248,776. 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 \$1,262,287. That is, the level of Council's financial assets exceeded its borrowings and other liabilities at 30 June 2016. 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 2016 gross borrowings were \$381,243 off set by cash and investments of \$1,971,096. After taking account of other receivables and payables Council's net financial liabilities at 30 June 2016 was negative (\$1,262,287) 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 2016. Clearly, there is considerable scope for Council to prudently increase its level of borrowings without creating a financial burden on its ongoing operating programs.

	Actual 30/06/16 \$000
Gross borrowings	381
Less: Cash and investments	1,971
Equals: Net debt	(1,590)
Add: Trade and other payables	123
Add: Provisions for employee entitlements	356
Less: Trade and other receivables	151
Equals: Net financial liabilities	(1,262)

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 2015/2016.

During the course of the 2015/2016 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.

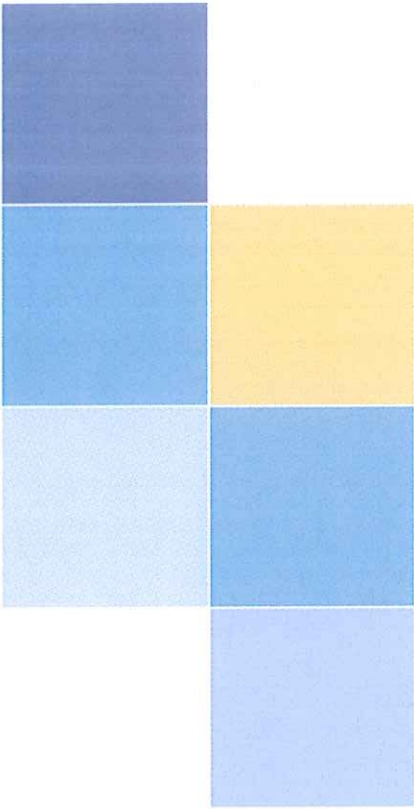
COMPETITIVE NEUTRALITY

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 2015/2016 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 did not go into during the 2015/2016 financial year.

NOTE: During the financial year order number 159.2006 and subsequent amendment 227.2006 was removed from the confidentiality provisions.

INTERNAL REVIEW OF COUNCILS DECISIONS

During 2015-16 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 2015-16

Council's 2012-2016 Strategic Management Plan sets out five major goals that underpin the way forward for Council. These are; Infrastructure Development, Economic Development, Environment, Community Development and Community Leadership and Vision.

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:

A review has been undertaken of this plan and the 2016-2020 Strategic Management Plan was adopted in June 2016.

Develop up to date and relevant asset management plans for council assets	Council has undertaken a revaluation of all roads and a significant review of the Asset Register. Asset Management Plans were reviewed with adoption scheduled for September 2016.
Continue to work with the Eastern Health Community Board and the Kimba Hospital to ensure that the community have access to appropriate health services.	Council has been proactively involved in seeking the services of a doctor to provide ongoing GP Services in Kimba.
Continue to upgrade footpaths in Kimba	Completion of footpath along South Terrace between Railway Terrace and High Street. Pavement replacement was also completed along High Street.
Carry out on-going improvements to the Recreation Reserve in a structure manner	Further works has been undertaken at the "free camping" area along with the provision of power for the Grey Nomads Project.
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 Recreation Reserve to accommodate the Grey Nomads.
Review, Manage and maintain well-utilised, multipurpose buildings which meet the needs of the community	Continued maintenance was undertaken for all council buildings. The Institute toilets upgrade was completed and extensions were completed to the Administration Office.
Continue to seek grant funds to enable employment opportunities	Additional Roads to Recovery Grant Funding has allowed Council further employment opportunities and additional work to be undertaken on Council's road network.
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 with adoption scheduled for September 2016. The Strategic Management plan 2016-2020 was reviewed and adopted in June 2016.

ACHIEVEMENTS 2015/2016

All of the items listed for 2015-16 were part of the Budget and Annual Business Plan.

Achievements	Achieved Yes/No	Comments
Maintaining of Parks and Gardens	Yes	Ongoing beautification undertaken.
Maintaining of Recreation Reserve and Oval	Yes	Additional work undertaken in this Reserve with upgrades to the grey nomad's facilities and other areas.
Road Maintenance	Yes	Extensive Road Maintenance undertaken.
Road re-sheeting and sealing	Yes	Completed in line with the Budget requirements and additional Roads to Recovery Funding.
Office Extensions	Yes	The Office extensions to the existing Council Administration building were completed to house the Chief Executive Office and meeting room.
Further develop Tourism within the Kimba District	Yes	Further work was undertaken within the community along with a review and reprint of the Kimba Brochure.
Upgrade to Central Park	Yes	Upgrades to Central Park playground equipment transferred from the 2014-15 budget were undertaken.
Update of Council Plant and Vehicles	Yes	Council undertook the replacement of the Administration vehicle and Isuzu Tipper. The DR 7 Dozer and CEO's Vehicle were purchased in excess of the budget in line with Council Policy.
Footways Construction	Yes	Work was undertaken at South Terrace from Railway Terrace to High Street on the Northern side with kerbing replaced on both sides.
High Street Kerbing Upgrade Design Works	Yes	The Design works were completed and funding has been allocated in the 2016-17 budget for stage 1 of this project.
Kimba Pioneer Memorial Village Upgrades	Yes	Paving and the installation of ramps was completed.
Upgrades to the Medical Centre	No	These upgrades were not completed due to the extension of time requirements. Transferred to the 2016-17 Budget.
Upgrade of Institute Toilets	Yes	This item was transferred from the 2014-15 Budget and completed.
Upgrade to Ferry Street Utilities	No	This work has been delayed indefinitely until a sub-division of this property is imminent.

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 2016.



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)





District Council
of Kimba

Audited
Financial
Statements

2015/16



Council Office Extensions

DISTRICT COUNCIL OF KIMBA

General Purpose Financial Reports for the year ended 30 June 2016

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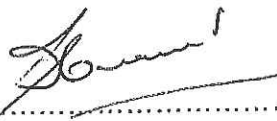
DISTRICT COUNCIL OF KIMBA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



.....
Daryl Cearns
CHIEF EXECUTIVE OFFICER



.....
Dean Johnson
MAYOR

Date: 12th October, 2016

DISTRICT COUNCIL OF KIMBA

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Rates	2	1,610,989	1,535,071
Statutory charges	2	11,857	14,463
User charges	2	99,253	98,578
Grants, subsidies and contributions	2	1,284,824	2,217,298
Investment income	2	40,563	45,069
Reimbursements	2	131,659	152,383
Other income	2	115,476	95,554
Total Income		<u>3,294,621</u>	<u>4,158,416</u>
EXPENSES			
Employee costs	3	1,232,898	1,283,353
Materials, contracts & other expenses	3	1,340,108	1,534,580
Depreciation, amortisation & impairment	3	953,023	1,096,523
Finance costs	3	17,368	21,724
Total Expenses		<u>3,543,397</u>	<u>3,936,180</u>
OPERATING SURPLUS / (DEFICIT)		(248,776)	222,236
Asset disposal & fair value adjustments	4	<u>(153,906)</u>	<u>(22,387)</u>
NET SURPLUS / (DEFICIT)		(402,682)	199,849
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(1,283,543)	9,411,731
Impairment (expense) / recoupments offset to asset revaluation reserve	9	(332,805)	-
Total Other Comprehensive Income		<u>(1,616,348)</u>	<u>9,411,731</u>
TOTAL COMPREHENSIVE INCOME		<u>(2,019,030)</u>	<u>9,611,580</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 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,971,096	2,290,837
Trade & other receivables	5	151,083	125,038
Inventories	5	23,246	51,315
		<u>2,145,425</u>	<u>2,467,190</u>
Total Current Assets		<u>2,145,425</u>	<u>2,467,190</u>
Non-current Assets			
Financial assets	6	-	35,000
Infrastructure, property, plant & equipment	7	38,911,785	40,289,362
		<u>38,911,785</u>	<u>40,324,362</u>
Total Non-current Assets		<u>38,911,785</u>	<u>40,324,362</u>
Total Assets		<u>41,057,210</u>	<u>42,791,552</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	122,838	107,285
Borrowings	8	321,314	60,472
Provisions	8	329,935	288,953
		<u>774,087</u>	<u>456,710</u>
Total Current Liabilities		<u>774,087</u>	<u>456,710</u>
Non-current Liabilities			
Borrowings	8	59,929	81,243
Provisions	8	25,876	37,251
		<u>85,805</u>	<u>118,494</u>
Total Non-current Liabilities		<u>85,805</u>	<u>118,494</u>
Total Liabilities		<u>859,892</u>	<u>575,204</u>
NET ASSETS		<u>40,197,318</u>	<u>42,216,348</u>
EQUITY			
Accumulated Surplus		11,455,399	12,143,406
Asset Revaluation Reserves	9	28,449,066	30,072,942
Other Reserves	9	292,853	-
		<u>40,197,318</u>	<u>42,216,348</u>
TOTAL EQUITY		<u>40,197,318</u>	<u>42,216,348</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 2016

2016	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	Total Council Equity \$	TOTAL EQUITY \$
Balance at end of previous reporting period		12,143,406	30,072,942	-	42,216,348	42,216,348
Restated opening balance		12,143,406	30,072,942	-	42,216,348	42,216,348
Net Surplus / (Deficit) for Year		(402,682)			(402,682)	(402,682)
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment		-	(1,283,543)		(1,283,543)	(1,283,543)
Impairment (expense) / recoupsments offset to asset revaluation reserve		-	(332,805)		(332,805)	(332,805)
Transfers between reserves		(285,325)	(7,528)	292,853	-	-
Balance at end of period		11,455,399	28,449,066	292,853	40,197,318	40,197,318
2015						
Balance at end of previous reporting period		11,943,557	20,661,211	-	32,604,768	32,604,768
Restated opening balance		11,943,557	20,661,211	-	32,604,768	32,604,768
Net Surplus / (Deficit) for Year		199,849			199,849	199,849
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	9,411,731		9,411,731	9,411,731
Balance at end of period		12,143,406	30,072,942	-	42,216,348	42,216,348

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 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		1,602,618	1,547,419
Fees & other charges		10,915	15,195
User charges		104,794	130,719
Investment receipts		41,128	48,477
Grants utilised for operating purposes		1,381,186	2,383,595
Reimbursements		144,556	166,074
Other revenues		508,857	51,539
<u>Payments</u>			
Employee costs		(1,221,693)	(1,276,791)
Materials, contracts & other expenses		(1,812,573)	(1,755,938)
Finance payments		(8,357)	(14,191)
Net Cash provided by (or used in) Operating Activities		751,431	1,296,098
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		190,682	142,591
Sale of surplus assets		-	16,363
Repayments of loans by community groups		35,000	65,000
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,536,382)	(797,333)
Expenditure on new/upgraded assets		-	(176,766)
Loans made to community groups		-	(100,000)
Net Cash provided by (or used in) Investing Activities		(1,310,700)	(850,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		300,000	-
Proceeds from aged care facility deposits		-	-
<u>Payments</u>			
Repayments of borrowings		(60,472)	(94,380)
Net Cash provided by (or used in) Financing Activities		239,528	(94,380)
Net Increase (Decrease) in cash held		(319,741)	351,573
Cash & cash equivalents at beginning of period	11	<u>2,290,837</u>	<u>1,939,264</u>
Cash & cash equivalents at end of period	11	<u>1,971,096</u>	<u>2,290,837</u>

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 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 21st September, 2016.

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 & 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 2016

Note 1 - Significant Accounting Policies (cont)

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

	Cash Payment Received	Annual Allocation		Difference
2013/14	\$764,496	\$1,450,243	+ / -	-\$685,747
2014/15	\$1,997,852	\$1,319,176	+ / -	\$678,676
2015/16	\$630,648	\$1,309,324	+ / -	-\$678,676

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

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

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

District Council of Kimba

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

Note 1 - Significant Accounting Policies (cont)

6.2 Initial Recognition

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

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

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.

District Council of Kimba

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

Note 1 - Significant Accounting Policies (cont)

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

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". 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	4.10% (2015, 4.76%)
Weighted average settlement period	2.56 years (2015, 2.34 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 2016

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 2016 reporting period and have not been used in preparing these reports.

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

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

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

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

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

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

DISTRICT COUNCIL OF KIMBA

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

Note 2 - INCOME

	Notes	2016 \$	2015 \$
RATES REVENUES			
<u>General Rates</u>		1,441,263	1,369,053
Less: Mandatory rebates		(15,831)	(15,287)
Less: Discretionary rebates, remissions & write offs		(4,216)	(4,103)
		1,421,217	1,349,663
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		41,451	40,256
Waste collection		52,500	52,996
Community wastewater management systems		90,420	88,560
		184,371	181,812
<u>Other Charges</u>			
Penalties for late payment		5,536	3,683
		5,536	3,683
Less: Discretionary rebates, remissions & write offs		(136)	(87)
		1,610,989	1,535,071
 STATUTORY CHARGES			
Development Act fees		2,996	4,127
Town planning fees		3,986	5,835
Health & Septic Tank Inspection fees		214	50
Animal registration fees & fines		4,661	4,451
		11,857	14,463
 USER CHARGES			
Cemetery fees		10,158	8,575
Aged Care Cottages		31,496	32,020
Recreation Reserve		8,286	6,967
Hall & equipment hire		4,326	2,848
Section 224 Lease		24,000	24,000
Health Centre		6,785	6,680
Waste Management		11,744	15,465
Sundry		2,458	2,023
		99,253	98,578
 INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		39,763	41,478
Banks & other		192	280
Loans to community groups		607	3,311
		40,563	45,069

DISTRICT COUNCIL OF KIMBA

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

NOTE 2 - INCOME (continued)

	Notes	2016 \$	2015 \$
REIMBURSEMENTS			
- for water sales		8,090	6,796
- for private works		71,968	94,743
- for Fuel Tax Credits		31,744	25,437
- other		19,856	25,407
		131,659	152,383
OTHER INCOME			
Recreation Reserve Donations		7,445	4,884
Workers Compensation Scheme		30,445	28,292
Sundry		77,586	62,378
		115,476	95,554
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		630,648	1,997,852
Roads to Recovery		618,864	216,539
Planning & Development Fund		32,500	-
Library & Communications		2,812	2,907
		1,284,824	2,217,298
		1,284,824	2,217,298

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

Sources of grants

Commonwealth government		618,864	216,539
State government		665,960	2,000,759
		1,284,824	2,217,298

Individually Significant Item

In the 2015-16 Financial Year Council received an additional payment for the Roads to Recovery Program. This represents a significant increase in income from this source for 2015-16 .		402,325	-
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DISTRICT COUNCIL OF KIMBA

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

NOTE 2 - INCOME (continued)

	Notes	2016 \$	2015 \$
Conditions over grants & contributions			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		678,676	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Financial Assistance Grants</i>		<u>(678,676)</u>	-
<i>Subtotal</i>		<u>(678,676)</u>	
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>		-	<u>678,676</u>
<i>Subtotal</i>		<u>-</u>	<u>678,676</u>
<i>Unexpended at the close of this reporting period</i>		<u>-</u>	<u>678,676</u>
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		 <u>(678,676)</u>	 <u>678,676</u>

DISTRICT COUNCIL OF KIMBA

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

Note 3 - EXPENSES

	Notes	2016 \$	2015 \$
EMPLOYEE COSTS			
Salaries and Wages		1,058,817	1,011,928
Employee leave expense		166,498	146,581
Superannuation - defined contribution plan contributions	18	62,109	54,539
Superannuation - defined benefit plan contributions	18	46,339	50,706
Workers' Compensation Insurance		60,635	53,777
Other		16,984	29,199
Less: Capitalised and distributed costs		<u>(178,484)</u>	<u>(63,377)</u>
Total Operating Employee Costs		<u>1,232,898</u>	<u>1,283,353</u>
 Total Number of Employees		16	17
<i>(Full time equivalent at end of reporting period)</i>			
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		17,250	8,500
Elected members' expenses		91,769	99,240
Election expenses		-	5,215
Subtotal - Prescribed Expenses		<u>109,019</u>	<u>112,955</u>
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		646,544	606,585
Energy		68,795	72,905
Materials		370,417	480,731
Legal Expenses		25,194	28,267
Levies paid to government - NRM levy		39,583	39,672
Subscriptions		23,264	23,859
Library Costs		15,105	16,858
Plant Registrations and Insurances		44,092	68,969
Insurances		34,984	28,161
Refuse Site		18,890	17,430
Fringe Benefits Tax		16,500	7,001
Donations		16,915	10,197
Sundry		317,849	368,083
Less: Capitalised and distributed costs		<u>(407,043)</u>	<u>(347,093)</u>
Subtotal - Other Materials, Contracts & Expenses		<u>1,231,089</u>	<u>1,421,625</u>
		<u>1,340,108</u>	<u>1,534,580</u>

DISTRICT COUNCIL OF KIMBA

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

Note 3 - EXPENSES (cont)

	Notes	2016 \$	2015 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant & Equipment/Minor Plant		190,078	194,067
Office Equipment & Furniture		8,355	8,355
Buildings & Other Structures		279,391	279,391
Infrastructure		439,412	542,256
Footpath & Kerbing		43,121	43,121
CWMS		35,145	35,144
Stormwater Re-use Project		5,660	5,660
Wastewater Project		3,526	3,526
Other		9,423	9,423
		<u>1,014,111</u>	<u>1,120,943</u>
Less: Capitalised and distributed costs		<u>(61,088)</u>	<u>(24,420)</u>
		<u>953,023</u>	<u>1,096,523</u>
 FINANCE COSTS			
Interest on overdraft and short-term drawdown		150	229
Interest on Loans		7,432	12,396
Unwinding of present value discounts		9,786	9,099
		<u>17,368</u>	<u>21,724</u>

DISTRICT COUNCIL OF KIMBA

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2016 \$	2015 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		190,682	142,591
Less: Carrying amount of assets sold		<u>344,588</u>	<u>166,341</u>
Gain (Loss) on disposal		<u>(153,906)</u>	<u>(23,750)</u>
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		-	16,363
Less: Carrying amount of assets sold		<u>-</u>	<u>15,000</u>
Gain (Loss) on disposal		<u>-</u>	<u>1,363</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS			
		<u>(153,906)</u>	<u>(22,387)</u>

DISTRICT COUNCIL OF KIMBA

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

Note 5 - CURRENT ASSETS

		2016	2015
CASH & EQUIVALENT ASSETS	Notes	\$	\$
Cash on Hand and at Bank		64,292	66,583
Deposits at Call		<u>1,906,804</u>	<u>2,224,254</u>
		<u>1,971,096</u>	<u>2,290,837</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		30,560	22,189
Accrued Revenues		7,877	8,442
Debtors - general		59,652	13,610
GST Recoupment		6,697	5,683
Prepayments		<u>46,297</u>	<u>75,114</u>
Total		<u>151,083</u>	<u>125,038</u>
 INVENTORIES			
Stores & Materials		<u>23,246</u>	<u>51,315</u>
		<u>23,246</u>	<u>51,315</u>

DISTRICT COUNCIL OF KIMBA

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

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2016 \$	2015 \$
Receivables			
Loans to community organisations		-	35,000
TOTAL FINANCIAL ASSETS		<u>-</u>	<u>35,000</u>

DISTRICT COUNCIL OF KIMBA

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2015				2016			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Plant & Equipment/Minor Plant	3	2,766,517	635,777	(1,107,371)	2,294,923	1,578,275	1,116,822	(532,102)	2,162,995
Office Equipment & Furniture		-	119,144	(52,545)	66,599	-	119,144	(60,900)	58,244
Buildings & Other Structures	2	8,495,729	10,500	(3,924,712)	4,581,517	8,495,729	169,902	(4,124,869)	4,540,762
Buildings & Other Structures	3	4,934,914	-	(2,522,019)	2,412,895	4,934,914	25,614	(2,601,253)	2,359,275
Infrastructure	3	26,836,323	1,102,993	(5,031,942)	22,907,374	24,552,274	1,674,924	(4,483,057)	21,744,141
Footpath & Kerbing	3	3,011,103	69,260	(733,088)	2,347,275	3,011,103	166,417	(776,209)	2,401,311
Land	2	1,614,906	-	-	1,614,906	1,614,906	-	-	1,614,906
Land	3	1,098,979	-	-	1,098,979	1,098,979	-	-	1,098,979
CWMS	3	3,456,650	-	(1,063,555)	2,393,095	3,456,650	-	(1,098,700)	2,357,950
Stormwater Re-use Project	3	-	251,554	(21,508)	230,046	-	251,554	(27,168)	224,386
Wastewater Project	3	-	211,556	(17,630)	193,926	-	211,556	(21,156)	190,400
Other	3	-	185,063	(37,236)	147,827	185,063	20,032	(46,659)	158,436
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		52,215,121	2,585,847	(14,511,606)	40,289,362	48,927,893	3,755,965	(13,772,073)	38,911,785
<i>Comparatives</i>		<i>37,652,631</i>	<i>6,830,171</i>	<i>(13,301,406)</i>	<i>31,181,396</i>	<i>52,215,121</i>	<i>2,585,847</i>	<i>(14,511,606)</i>	<i>40,289,362</i>

DISTRICT COUNCIL OF KIMBA

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

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

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

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

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

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

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

Office Furniture & Equipment	\$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

District Council of Kimba

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

Note 7 – Property, Plant & Equipment (cont)

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	3 to 10 years
Other Plant & Equipment	5 to 10 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	10 to 20 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	30 years
Sealed Roads – Structure	180 to 360 years
Unsealed Roads	35 to 210 years
Paving & Footpaths, Kerb & Gutter	40 to 80 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

Plant & Equipment/Minor Plant

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 cost.

Furniture & Equipment

These assets are recognised on the cost basis.

Buildings & Other Structures

Buildings and other structures were revalued as at 1st July 2014 by Maloney Field Services.

Infrastructure

Transportation assets were revalued by Council officers and certified by Gayler Engineering at depreciated current replacement cost as at 1st July 2014. A desktop valuation was undertaken by Council Officers in conjunction with RMBAS as at 1st July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was 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.

Footpaths & Kerbing

Footpaths & Kerbing assets were revalued by Council officers and certified by Gayler Engineering at depreciated current replacement cost as at 1st July 2014. All acquisitions made after the respective dates of valuation are recorded at cost.

Land

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

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

District Council of Kimba

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

Note 7 – Property, Plant & Equipment (cont)

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.

Land and improvements were revalued as at 1st July 2014 by Maloney Field Services.

Community Wastewater Management System (CWMS)

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

Stormwater Re-use project

These assets are recognised on the cost basis.

Wastewater Project

These assets are recognised on the cost basis.

Other Assets

These assets are recognised on the costs basis.

DISTRICT COUNCIL OF KIMBA

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

Note 8 - LIABILITIES

	Notes	2016		2015	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		116,542	-	66,727	-
Payments received in advance		421	-	440	-
Accrued expenses - employee entitlements		5,122	-	38,590	-
Accrued expenses - other		753	-	1,528	-
		<u>122,838</u>	<u>-</u>	<u>107,285</u>	<u>-</u>
BORROWINGS					
Short term draw down facility		300,000	-	-	-
Loans		21,314	59,929	60,472	81,243
		<u>321,314</u>	<u>59,929</u>	<u>60,472</u>	<u>81,243</u>

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

PROVISIONS

Employee entitlements (including oncosts)		329,935	25,876	288,953	37,251
		<u>329,935</u>	<u>25,876</u>	<u>288,953</u>	<u>37,251</u>

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

129,018

98,362

DISTRICT COUNCIL OF KIMBA

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2015	Net Increments (Decrements)	Transfers, Impairments	30/6/2016
Notes	\$	\$	\$	\$
Plant & Equipment/Minor Plant	1,081,473	-	-	1,081,473
Office Equipment & Furniture	7,528	-	(7,528)	0
Buildings & Other Structures	7,452,332	-	-	7,452,332
Infrastructure	16,762,678	(1,283,543)	(332,805)	15,146,330
Land	2,087,392	-	-	2,087,392
CWMS	2,681,539	-	-	2,681,539
TOTAL	30,072,942	(1,283,543)	(340,333)	28,449,066
<i>Comparatives</i>	<i>20,661,211</i>	<i>9,411,731</i>	<i>-</i>	<i>30,072,942</i>

OTHER RESERVES	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
CWMS Reserve	-	292,853	-	292,853
TOTAL OTHER RESERVES		292,853		292,853

DISTRICT COUNCIL OF KIMBA

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

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

		2016	2015
CASH & FINANCIAL ASSETS	Notes	\$	\$
Unexpended amounts received from Rating Service Charges		-	-
Community Wastewater Management Scheme		<u>292,853</u>	<u>257,586</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>292,853</u>	<u>257,586</u>

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

<i>Bank Overdraft</i>	8	100,000	100,000
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DISTRICT COUNCIL OF KIMBA

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

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2016 \$	2015 \$
Total cash & equivalent assets	5	1,971,096	2,290,837
Less: Short-term borrowings	8	<u>(300,000)</u>	<u>-</u>
Balances per Cash Flow Statement		<u>1,671,096</u>	<u>2,290,837</u>

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

Net Surplus (Deficit)		(402,682)	199,849
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		953,023	1,096,523
Net increase (decrease) in unpaid employee benefits		(13,647)	21,422
Premiums & discounts recognised & unwound		9,786	9,099
Net (Gain) Loss on Disposals		<u>153,906</u>	<u>22,387</u>
		700,386	1,349,280
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(26,045)	44,114
Net (increase) decrease in inventories		28,069	(21,078)
Net increase (decrease) in trade & other payables		<u>49,021</u>	<u>(76,218)</u>
Net Cash provided by (or used in) operations		<u>751,431</u>	<u>1,296,098</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	300,000

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-term drawdown facility, and variable 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 2016

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015	\$	\$	\$	\$
Administration	2,051,752	3,041,914	957,360	919,108	1,094,392	2,122,806	630,648	1,551,828	2,976,800	3,098,164
Public Order & Safety	31,755	30,055	111,538	128,121	(79,783)	(98,066)	-	-	770,098	813,617
Health	6,999	6,729	47,981	32,622	(40,982)	(25,893)	-	-	355,689	371,087
Social Security & Welfare	227	32,020	18,756	166,660	(18,529)	(134,640)	-	-	277,113	1,246,812
Housing & Community Affairs	201,022	205,777	338,284	307,765	(137,262)	(101,988)	32,500	-	3,333,491	3,380,349
Recreation & Culture	28,256	12,722	309,265	400,396	(281,009)	(387,674)	2,812	2,907	3,789,199	3,929,603
Agriculture	-	-	-	-	-	-	-	-	-	10,776
Transport & Communication	728,399	688,200	1,585,488	1,858,468	(857,089)	(1,170,268)	618,864	662,563	27,241,610	28,644,320
Economic Affairs	102,407	44,896	153,478	122,493	(51,071)	(77,597)	-	-	1,843,841	828,965
Mining Manufacturing & Construction	103,843	94,743	20,713	547	83,130	94,196	-	-	4,412	2,902
Other Purpose	39,961	1,360	534	-	39,427	1,360	-	-	464,957	464,957
TOTALS	3,294,621	4,158,416	3,543,397	3,936,180	(248,776)	222,236	1,284,824	2,217,298	41,057,210	42,791,552

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 2016

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 formes, 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 2016

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0% and 2.25% (2015: 0% and 2.5%). Short term deposits have an average maturity of 24 hours and an average interest rates of 1.96% (2015: 24 hours, 2.53%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 2% (2015:2%) 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>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - Fees & other charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - other levels of government</p>	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Interest Bearing Borrowings</p>	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable 6 monthly; interest is charged at fixed (or variable - describe) rates between 6% and 7% (2015:6% and 7%)</p> <p>Carrying amount: approximates fair value.</p>

DISTRICT COUNCIL OF KIMBA

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

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	1,971,096			1,971,096	1,971,096
Receivables	120,523			120,523	120,523
Total	2,091,619			2,091,619	2,091,619
Financial Liabilities					
Payables	116,963			116,963	116,963
Current Borrowings	326,460			326,460	321,314
Non-Current Borrowings		66,149		66,149	59,929
Total	443,423	66,149		509,572	498,206
2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	2,292,236			2,292,236	2,290,837
Receivables	137,849			137,849	137,849
Total	2,430,085			2,430,085	2,428,686
Financial Liabilities					
Payables	67,067			67,067	67,167
Current Borrowings	68,680			68,680	60,472
Non-Current Borrowings		92,609		92,609	81,243
Total	135,747	92,609		228,356	208,882

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

	30 June 2016		30 June 2015	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	4	300,000	0	-
Fixed Interest Rates	6.77	81,243	6.4	141,715
		<u>381,243</u>		<u>141,715</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 2016

Note 14 - FINANCIAL INDICATORS

2016 2015 2014

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

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

Operating Surplus Ratio

<u>Operating Surplus</u>	(8.0%)	5.0%	(14.0%)
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

1% (11%) 8%

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(38%)	(45%)	(46%)
Total Operating Revenue			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	103%	77%	12%
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 2016

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

	2016 \$	2015 \$
Income	3,294,621	4,158,416
<i>less</i> Expenses	<u>3,543,397</u>	<u>3,936,180</u>
Operating Surplus / (Deficit)	(248,776)	222,236
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,536,382	797,333
Depreciation, Amortisation and Impairment	(953,023)	(1,096,523)
Proceeds from Sale of Replaced Assets	<u>(190,682)</u>	<u>(142,591)</u>
	392,677	(441,781)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	-	176,766
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(16,363)
	<u>-</u>	<u>160,403</u>
Net Lending / (Borrowing) for Financial Year	<u>(641,453)</u>	<u>503,614</u>

DISTRICT COUNCIL OF KIMBA

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

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 2015/16; 9.50% in 2014/15). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2014/15) of "superannuation" salary.

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

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

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

DISTRICT COUNCIL OF KIMBA

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

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 Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

LAND UNDER ROADS

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


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

DISTRICT COUNCIL OF KIMBA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of SA Model Council for the year ended 30 June 2016, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.


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


.....
Daryl Cearns
CHIEF EXECUTIVE OFFICER


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

Date: 12th October, 2016

APPENDIX G
EPLGA ANNUAL REPORT 2015/2016
(see attached)





EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

Annual Report *2015/2016*

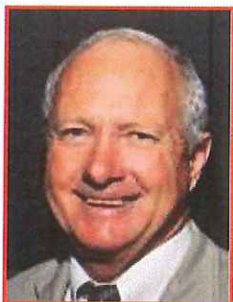




*Cover photo: Lincoln National
Park*



THE PRESIDENT'S REPORT



I commend this annual report to you.

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

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

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

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

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

Some of the highlights of 2015/2016 have been:

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

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

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

MAYOR BRUCE GREEN



THE REGION

Regional Population and Local Government

The region has 11 Local Government Authorities (LGAs). The LGAs are: The City of Whyalla and City of Port Lincoln; and the District Councils of Ceduna, Cleve, Elliston, Franklin Harbour, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay, and Wudinna.

The regional population of 56,396 (ABS 2011 Census) comprises about 3.5% of the South Australian population. 98.7% of people reside in the eleven Council districts, which collectively occupy 43,779km² or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

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

Table 1: RDAWP Local Government Land Areas and Population 2011.

It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on 1st July 2014 due to an adjustment of the Council boundaries. An area of 492km² of land was transferred from Franklin Harbour to Cleve. Approximately 62 residents live in the area.

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



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

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

Population Ageing

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

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

Table 2: People 65 Years of Age and Over. (ABS Census 2006 & 2011).

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

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

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

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

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

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

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



Regional Economic Snapshot

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

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

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

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

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

Regional Employment by Industry

Based on the number of jobs generated, the region's top 5 employing industries in 2013-14 were (in ranked order): health care and social assistance (health and community services), manufacturing, agriculture, retail trade and construction.

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

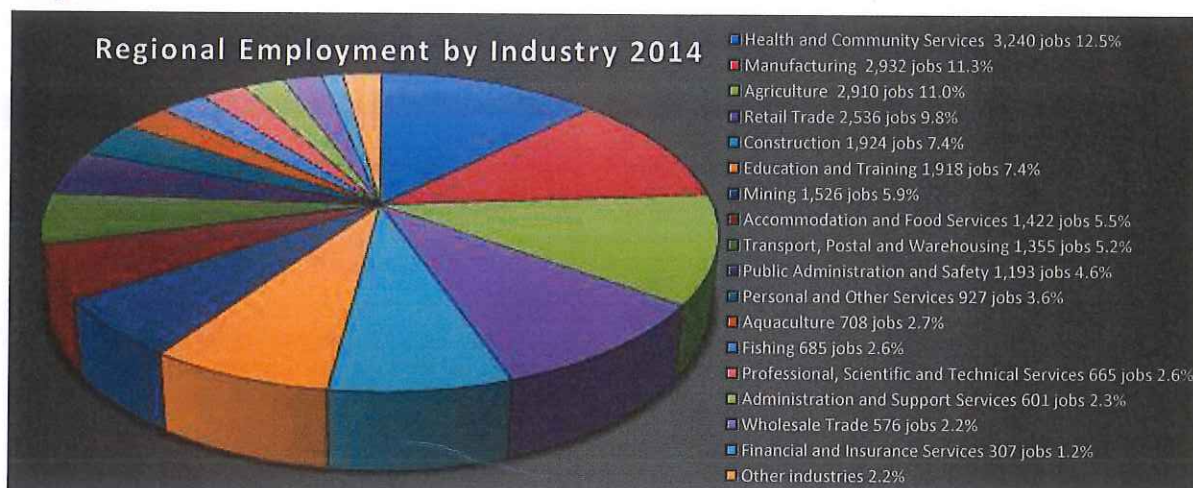


Figure 2: RDAWEP Regional Employment by Industry 2013-14.

Health and Community Services

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

Manufacturing

The manufacturing industry, which includes the production of metal products and food processing, was the region's second largest employer, providing 2,932 jobs and 11.3% of regional employment. The industry experienced modest employment growth of 3.6% from 2001.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Manufacturing was the biggest employer in Whyalla providing 2,027 jobs, and over two-thirds (69%) of the region's manufacturing employment. Most of Whyalla's manufacturing jobs (87%, 1,755 jobs) were provided in the iron and steel production sector.

Agriculture

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

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

Retail Trade

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

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

Construction

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



Mining

Mining is the region's fastest growing industry, but is a relatively small employer in comparison with other industries. In 2012-13, mining did not rank among the top 10 regional employers; however this changed in 2013-14. Mining ranked as the region's seventh largest employer providing 1,526 jobs and 5.9% of employment. This can be attributed to high levels of exploration activity on the Eyre Peninsula at this time by companies such as Centrex Metals/Eyre Iron (for the Fusion Joint Venture); Iron Road Limited (for the Central Eyre Iron Project); and graphite mining and resource exploration by Valence Industries, Lincoln Minerals and Archer Exploration Limited.

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

Fishing and Aquaculture

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

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

Tourism

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

Tourism data have not been identified in the pie charts because the industry categories use the Australian and New Zealand Standard Industrial Classification (ANZSIC) system, which does not identify tourism as an industry in its own right. Tourism activity, i.e. the consumption of goods and services by visitors, is captured within the data provided for the other ANZSIC industries. However tourism industry employment and economic data are derived from a range of other sources, including research undertaken by the South Australian Tourism Commission and Regional Tourism Satellite Accounts produced by Tourism Research Australia (TRA). These sources were used by EconSearch to identify tourism expenditure as a component of the region's exports.

In 2013-14, it was estimated that regional tourism expenditure totalled \$302 million, with \$129 million (42.8%) spent in the retail trade, accommodation and food and beverage services sectors. TRA Satellite Account data also indicate that the tourism industry contributed about 7.2% of GRP and directly employed 1,530 people (5.3% of regional employment) and generated an additional 1,500 indirect jobs. Most of these jobs were in the food service, hospitality, accommodation and retail trade sectors.

Regional Exports by Industry

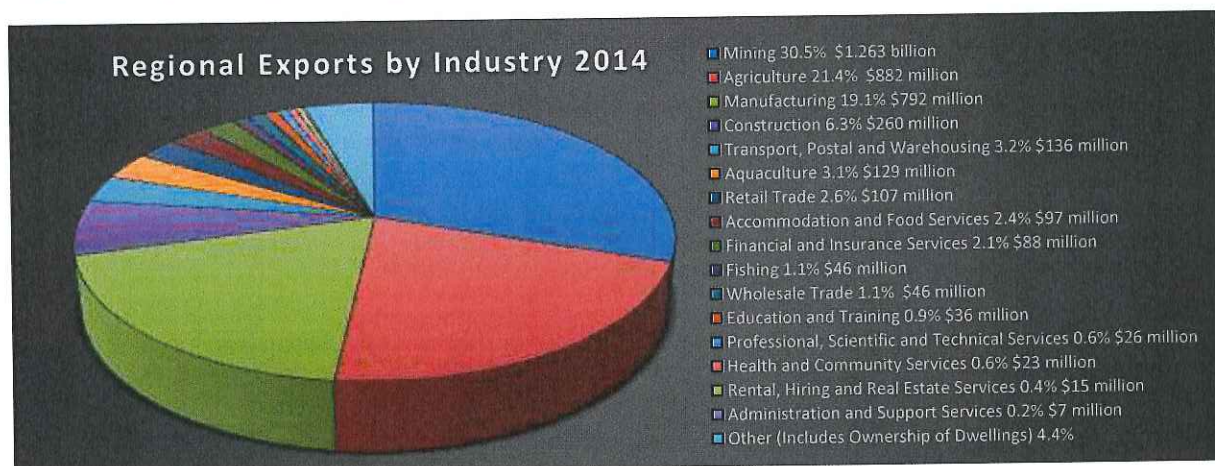


Figure 3: RDAWEP Regional Exports by Industry 2013-14.



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

- mining – 30.5% of exports, worth \$1.263 billion;
- agriculture – 21.4% of exports, worth \$882 million; and
- manufacturing – 19.1% of exports, valued at \$792 million.

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

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

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

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

Gross Regional Product by Industry

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

In 2013-14, the region's GRP was estimated at approximately \$4.2 billion (\$4.195). The top 5 GRP generating industries were:

- mining – 29.2% of GRP worth \$1.22 billion;
- agriculture – 12.0%, \$502 million;
- construction – 6.0%, \$251 million;
- health and community services – 5.8%, \$241 million; and
- manufacturing – 5.5%, \$229 million.

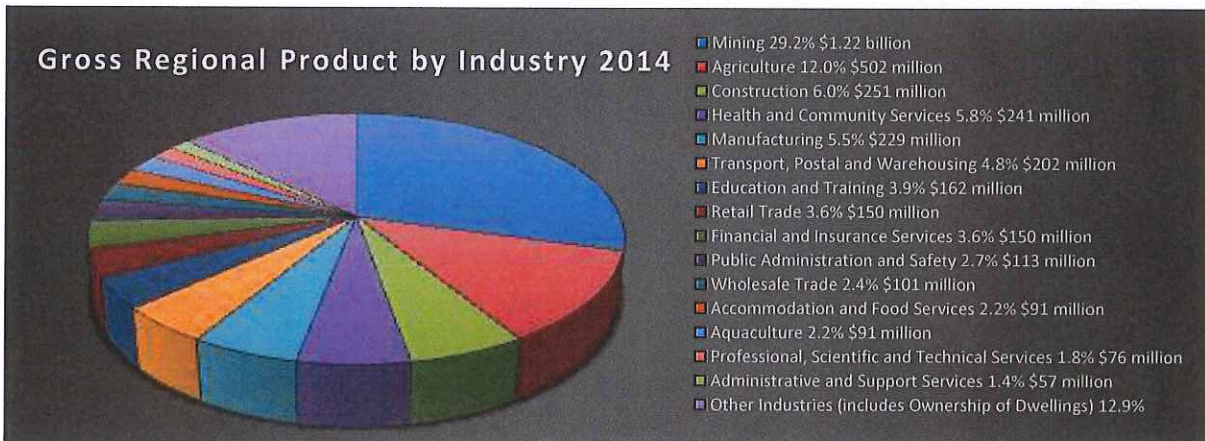


Figure 4: RDAWEP Gross Regional Product by Industry 2013-14.



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

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

Regional Economic Summary

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

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

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

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

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

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

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



MEMBER COUNCILS 2015/2016:

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

THE REPRESENTATIVES

Executive:

TITLE	MEMBER NAME	COUNCIL
President	Mayor Bruce Green	City of Port Lincoln
Immediate Past President	Mayor Julie Low	DC Lower Eyre Peninsula
Deputy President	Mayor Sam Telfer	DC Tumby Bay
Past Deputy President	Mayor Eddie Elleway	DC Franklin Harbour
Chief Executive Officer	Mr Rob Donaldson	

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

Other Regional Organisations:

Regional Development Australia Whyalla and Eyre Peninsula Inc:

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

Eyre Peninsula Natural Resources Management Board:

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

Zone Emergency Management Committee:

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

Eyre Peninsula Integrated Climate Change Adaptation Committee:

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



EPLGA Board Members 2015/16

Under the terms of our Charter, the following Board appointments were current as at 30 June 2016.

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

ANNUAL CONFERENCE SCHEDULE

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

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

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



REPORT OF ACTIVITIES 2015/16

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

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

PROJECTS 2015/2016

Outreach Services Program

The program includes:

- assisting with the preparation of LGA policy on regional development;
- preparing a profile of the region with a focus on what it contributes to the economic growth of both the State and Nation;
- governance needs of each Council;
- legislative compliance in assets management and long term financial planning;
- skills assessment in areas such as IT, planning, environmental health, etc., and development of a regional training plan;
- short term employment requirements in lieu of full time employees;
- shared services arrangements to assist in meeting the short/long term skills requirements and other needs;
- opportunities arising from the Local Excellence Program – trialling new methods of implementation, e.g. improving performance, systems and processes that sustain good performance, raising the image of Local Government, effective engagement across the region and State as a whole, i.e. political clout, with other spheres of government, seeking financial arrangements to support the programs required;



- › positioning Local Government and the region for the next State elections by gathering evidence of the needs of the sector and possible solutions that could be an “ask” in an election environment;
- › identifying any ‘centre of excellence’ that may exist within the region;
- › developing CEO, Works Manager and any other forums to assist in the sharing of resources and information, which would eliminate repetition of the same forum x 10; and
- › managing local issues for the Member Councils – advocacy, lobbying, problem solving, etc.

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

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

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

EPLGA CEO COMMITTEE

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

The Committee's role is to:

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

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

EPLGA ENGINEERING & WORKS COMMITTEE

On 4 December 2015, the EPLGA met to consider the establishment of an Engineering & Works Committee (Committee) to meet from time to time to consider issues of relevance to Eyre Peninsula Councils, and to provide advice to the EPLGA Board on those issues’.

The role of the Committee was to

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



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

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

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

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

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

REGIONAL TRANSPORT STRATEGY 2015 (ADOPTED MARCH 2016)

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

EP INTEGRATED CLIMATE CHANGE ADAPTATION

The Executive Officer and President are representatives on the EPICCA Committee.

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 the EPLGA in this area, this working group will move into implementation of the plan's pathways. All parties will contribute \$12,500pa for the next 2 years of this project. The State Government had committed \$25,000 towards the group's activities for 2015/2016, which has been carried forward to 2016/17.

REGIONAL WATER RE-USE PLANNING AND FUNDING

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

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

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

- › Establishment of a users group to facilitate intelligence sharing across Councils operating CWMS.
- › Identification of regional capacity and skills gaps to provide for the efficient and compliant ongoing operation and maintenance of existing and new Community Wastewater Management Schemes.
- › Promote regional training to maintain skill sets required to ensure sustainability.



- › Development and implementation of standardised recording and reporting mechanisms.
- › Facilitated development of an up-to-date user friendly operation, and maintenance, monitoring and contingency plans.
- › Schematic mapping of existing schemes to assist with an understanding of catchment capacities and constraints.
- › Development and implementation of standardised accounting systems to assist in comparisons between schemes and Councils.
- › Identification of opportunities for shared resources, including platforms for remote access.
- › Identification of potential shared procurement opportunities in areas such as spare parts inventories, septic tank desludging and drain flushing.

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

REGIONAL TRAINING

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

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

Details

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

The Executive Officer has identified savings for 2015/16 to be in excess of \$200k through time, travel, accommodation and course costs per head as a direct result of the dramatic increase in participation. There are also the non-dollar benefits through increased participation and therefore increased skills, experience and networking within the region."

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

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

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

- *advocacy (and representation) – the EPLGA being the principal regional advocate for Local Government in the region;*
- *governance – continuing to ensure that our business is conducted in accordance with the law and proper standards;*
- *member services – the EPLGA to continue to provide member support services as they are needed; and*
- *outreach services – Connecting Councils with desirable services offered by the LGA of SA.*

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



To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term 'Management Plan or Corporate Plan'. The Corporate Plan is for the period 2016 – 2019 and reviewed annually, incorporating an updated annual work plan and budget for the current year. It also includes the strategic directions of the EPLGA for that period.

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

Management Plan Performance 2015 – 16

1. ACTIVELY ASSIST MEMBERS BY REPRESENTING THEIR COMBINED INTERESTS.

- 1 Seek invitation to provide responses to legislative and policy changes that materially impact our region.
 - 1.2 Seek the mandated preparation of regional impact statements prior to any state legislated changes likely to affect our region.

Comment: RDAWEP and EPLGA jointly funded the preparation a regional statement and have captured regional evidence by developing 78 industry sets of statistics. This information will not only be used to support or object to State legislation or policy changes but to develop regional economic and strategic plans. The data is provided to all member Council too with summaries relevant to their districts.
 - 1.3 Prepare coordinated submissions to relevant inquiries and proposals on behalf of members.

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

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

Comment: The developed roads database for all EP roads and the new Regional Transport Strategy will be used as a tool for prioritising regional roads for funding.
 - 1.6 Develop a coordinated approach to the Commodity Freight Routes across the region, being mindful of divergent needs between Councils.

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



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

- 2.1 Ensure we are represented at SAROC, State Executive Committee meetings and the General meetings of the LGA.
Comment: The President (and proxy) and Executive Officer attend these meetings when held.
- 2.2 Ensure regular information flows to our member Councils via newsletters, website updates, media announcements and personal contacts.
Comment: After each EPLGA Board meeting a wrap of the meeting is prepared and forwarded to all regional media outlets. It is also posted on the EPLGA website. The media are used as and when needed and are also sent the meeting agendas and minutes. Council senior staff is well informed through emails of any developing issues of matters of interest.
- 2.3 Seek reports from regional partners at EPLGA Board Meetings and forums.
Comment: Regional partners have a standing agenda item at each Board meeting to present to the constituent Councils. They are also invited to CEO Committee meetings as and when needed.
- 2.4 Actively seek direct engagement with state government partners in order to allow bottom up, and more streamlined, planning and engagement.
Comment: The EPLGA has been a strong advocate for state government partners to visit the region on planning and engagement matters, e.g. Regional Forums, Regional Roadshows, Planning reform, Ministers visiting regional functions and openings, etc.
- 2.5 Seek opportunities to partner with industry and community groups to promote the economic and social prosperity of Eyre Peninsula.
Comment: RDAWEP and EPNRM CEOs and Staff meet regularly with the Executive Officer on a range of economic and social matters. The EO also meets with NGO's.
- 2.6 Work with member Councils to facilitate economic expansion by coordinating the approach to structure planning, ensuring consistency with the principles contained in the Eyre and Western Plan.
Comment: The Mining Taskforce has a focus on this functional role for Councils. The development of a regional economic plan in conjunction with the RDAWEP & EPNRM Boards will also ensure consistency in the approach to facilitating economic expansion. The planned development of a regional strategic plan will add further strength to this strategy. The Regional Economic Development Plan is nearing completion and the development of the Regional Strategic Plan has commenced.
- 2.7 Work with state departments and regional partners to better coordinate Infrastructure Planning consistent with the principles in the Eyre and Western Plan.
Comment: The Executive Officer along with Council representatives have been involved in various infrastructure planning sessions with regional organisations and state agencies. E.g. Minister for Regions road shows
- 2.8 Investigate ways to encourage the state government to streamline its regional consultation processes to avoid multiple meetings that duplicate effort.
Comment: This has been an issue discussed at the SAROC level and continues to be pursued. The Minister for Local Government and Regions has held forums and roadshows in the region plus attended EPLGA Board meetings and other regional meetings. This is an example of the State Government's commitment to consulting the region in a more concise way.



3 RAISE THE PROFILE OF THE ASSOCIATION BY GREATER MEDIA PRESENCE

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

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

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

Comment: Still managing media in-house.

4 ASSIST MEMBER COUNCILS BY COORDINATING REGIONAL INVESTIGATIONS OF OPERATIONAL ISSUES

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

Comment: The Outreach Services Program is in part about the continuous improvement of activities in Councils. Through the Regional Executive Officer's group local government reform is always on the agenda, particularly around continuous improvement and cutting red tape.

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

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

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

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

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

Comment: As an example of this working, funding has been gained for the Outreach Services (\$50,000), Regional Capacity Building (\$38,000+) and other funding is sought from the LGA Research and Development Fund on a needs basis. The region also offers itself to various pilot projects which often result in additional funding and resources addressing issues.

- 4.5 Review our Charter.

Comment: Completed in Dec 2013

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

Comment: A Mining Roundtable was held in October 2014 to assist with this type of planning. A report from the SA Centre for Economic Studies was part funded by the EPLGA and LGA to assist with these issues. A Taskforce terms of reference was developed along with appointing a Coordinator to manage the process. The taskforce met three times during the 2015/16 year. It has gathered much information and developed great working relationships with Mining Companies, State Government, EPNRM, RDAWEP and other groups as required to ensure it can now be more individual mining project and location focussed.



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

Comment: The Roads Strategy was re-worked in 2013. Following this a database has been developed to include all EP roads with a methodology prioritisation tool inbuilt to give better road prioritisation. Further data was collected to finalise the database to allow better planning and prioritisation. The collection of data has been a difficult task but the EP Transport Strategy was completed in 2015 in regards to roads. There will need to be further refinement of the strategy as it is reviewed annually.

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

Comment: Working Groups and shared services will lead to this occurring on a more regular basis.

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

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

Comment: Funding included in the budget.

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

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

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

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

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

- 6.1 Establish a funding agreement for \$50k per year with the LGA of SA.

Comment: Established pilot in July 2013 and concluded 30 June 2015. Pilot completed – program has continued in all regional LGA's after the pilot at \$50,000pa funding from the LGA for each regional LGA.

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

Comment: Established as per 6.1 and reported against to EPLGA and LGA of SA on a half yearly basis as per the new agreement.

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

Comment: COMPLETED an independent evaluation.



KEY PERFORMANCE INDICATORS

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

KPI	MEASURED BY	TARGET SCORE
Member General Satisfaction	Number of formal complaints	Zero complaints from members Actual: Zero complaints received.
Member attendance at meetings, workshops, training	Number of members who are represented	All members Actual: Usually all 11 Councils represented.
Competitive funding secured	Dollars secured	Equal to membership (\$157K) Actual: Regional Capacity \$39,000 Mining taskforce \$10,000 CWMS Users Group \$19,500 Emergency management Plans \$7,000 Climate Change - EPPICA \$25,000 Tourism \$76,000 Total \$176,500
Achieved annual work plan		All items either achieved or timeframes for completion, and process, in place. Some subject to external funding. Actual: On target
EPLGA is represented at LGA regions meetings	Number of meetings attended	100% Actual: 100%
Co-ordinate regional training activities on EP	Number of days training per year	At least 6 Actual: target exceeded (12)
Annual review of Executive Officer	Final achievement score	Actual: Review occurred in June 2016. Report of satisfactory performance by President - employment contract extended by 24 months.
Greater media activity	Number of interviews and media releases	At least one interview per month. Media releases at least every 2 months. Actual: Meeting target



USE OF FINANCIAL RESOURCES

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



4 Cornish Terrace, PO Box 2180
Port Lincoln, SA 5606
Telephone: (08) 8682 1800
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ABN 64 945 523 972
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19th September, 2016

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

Dear Tony,

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

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

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

Having completed the Audit we now make the following comments:

Internal Controls

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

Taxation & Superannuation Liabilities

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

Yours faithfully,


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

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

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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016

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



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	2016	2015
	\$	\$

NOTE 2 - Grants Received

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

NOTE 3 - Project Income - EP Councils

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

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

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



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

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

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



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

BOARD CERTIFICATE

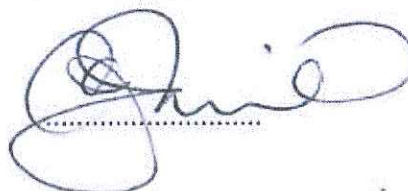
The Board have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board of the association declares that:

- 1 the financial statements and notes present fairly the association's financial position as at 30th June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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

signed


.....
.....

position

PRESIDENT

EXECUTIVE OFFICER

Dated this 27th day of Sept 2016



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

4 Taramai Terrace, PO Box 2180
Port Lincoln, SA 5606
Telephone: (08) 8682 1899
Facsimile: (08) 8682 1408
Email: gpk@gpk.com.au
ABN 64 945 523 977
ACN 007 909 382

To the members of Eyre Peninsula Local Government Association,

Report on the financial report

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30th June 2016.

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

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

Auditor's responsibility

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

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

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

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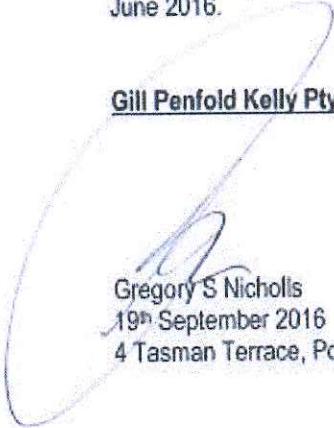


disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate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

Auditor's opinion

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30th June 2016.

Gill Penfold Kelly Pty Ltd



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