



Yorke Peninsula Council ANNUAL REPORT 2012/13



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PART TWO

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PART THREE

CENTRAL LOCAL GOVERNMENT REGION ANNUAL REPORT



FROM THE MAYOR



It is with pleasure that I present the 2012/13 Annual Report.

As Mayor I have been privileged to attend many community functions and to observe first-hand the outstanding work of so many volunteers in our communities. I have also been pleased to once again host a community volunteer's morning tea during National Volunteers Week to recognise the enormous contribution volunteers make to our wider community. To all those involved I offer my sincere thanks for your efforts on behalf of Council and the community.

I have continued to represent our Council at Regional and State Government Levels.

During this year Council has continued to improve relationships with various groups including:

- » Local Communities
- » The Alliance of Councils (Wakefield Regional, Copper Coast, Barunga West, Yorke Peninsula)
- » Central Local Government Region
- » Other Local Government Agencies
- » State Government Ministers and their Departments
- » Our Federal Government Representatives

We have worked closely with the State Government on the Marine Parks and Snapper Spatial Closure issues with good outcomes from both these matters.

Council continues to find ways in which to engage with the community and I welcome your ideas about how we can continue to improve in this area.

During the coming year the Council will review and update the Strategic Management Plan to ensure that the direction we follow will continue to provide the most beneficial outcomes for our communities.

This year we have been required to once again undertake an Elector Representation Review. Whilst this is still to be finalised we, as a Council, anticipate continuing to adequately represent you the community into the future.

I commend the 2012/13 Annual Report to you.

Ray Agnew

Mayor

OAM JP

GOVERNANCE

The Yorke Peninsula Council ("Council") is committed to conducting our business in an accountable, transparent and open manner as we work with our communities, businesses and other tiers of government to ensure we are well placed to meet the needs of our communities into the future.

ELECTED MEMBERS

The Mayor and 11 Councillors are responsible for a variety of functions in accordance with the Local Government Act 1999 and Regulations.

In accordance with the Local Government (Elections) Act 1999, elections are held every four years. The next Council election will be held in November 2014.

The elected members as at 30 June 2013 were:

Mayor Ray Agnew OAM

KALKABURY WARD

Deputy Mayor Brenda Bowman

Councillor David Langford

Councillor Trevor Davey

Councillor Simon Greenslade

GUM FLAT WARD

Councillor Robert (Bob) Nicholls

Councillor Jeffrey (Jeff) Cook

Councillor Dean Butler

PENTON VALE / INNES WARD

Councillor Veronica Brundell

Councillor John Rich

Councillor Barry Schell

Councillor John Sendy

COUNCIL REPRESENTATION

An Elector Representation Review (required by Section 12 of the *Local Government Act 1999*), was completed in 2009. Council elected to maintain status quo; with a Mayor and 11 Ward Councillors.

Council was required to undertake another Elector Representation Review during 2012/13. This is currently underway and is scheduled for completion in October 2013.

The following table presents, for comparison purposes, information in relation to the composition, size and elector ratio of various South Australian rural Councils as at February 2013 (as advised by the Local Government Association of South Australia):

COUNCIL	ELECTED MEMBERS	NO. OF ELECTORS	QUOTA
Alexandrina	12	18,786	1,565
Barossa	12	16,461	1,371
Berri Barmera	9	7,209	801
Copper Coast	11	10,013	910
Light Regional	11	9,763	887
Loxton / Waikerie	11	8,100	736
Murray Bridge	10	13,018	1,301
Port Pirie	11	12,199	1,109
Victor Harbor	10	11,323	1,132
Wattle Range	12	8,646	720
Yorke Peninsula	12	9,404	783



Back row: Cr Jeff Cook, Cr Simon Greenslade, Cr John Rich, Cr David Langford, Cr Bob Nicholls & Cr Trevor Davey

Middle row: Cr Veronica Brundell, Cr Dean Butler, Cr John Sendy & Cr Barry Schell

Front Row: Mayor Ray Agnew & Deputy Mayor Brenda Bowman

COUNCIL DECISION MAKING STRUCTURE AND MEETINGS

The elected body are the decision makers. Ordinary meetings are held on the second Wednesday of every month at 5.30pm. The meetings are held at the Council Chamber, 57 Main Street Minlaton.

During the period 2012/13, the Elected Members held thirteen Council Meetings and made 245 decisions.

Since July 2011, after the disbanding of the former Committee Structure, Elected Members attend informal monthly workshops with senior staff. This provides an opportunity for Elected Members to receive and clarify information.

Principal Committees have been formed to meet statutory obligations. Principal committee meetings are scheduled in line with their Terms of Reference. The principal committees are:

- » Development Assessment Panel
- » Audit Committee

Minutes of the principal committee meetings are presented to the next available Ordinary Council meeting.

Development Assessment Panel

The Development Assessment Panel ("Panel") is a panel formed by Council in accordance with the *Development Act, 1993*. The Panel is granted delegated powers that are administered in accordance with the Terms of Reference as determined by resolution of the Council.

The delegations allow the Panel to act as the relevant authority to approve or refuse certain types of development applications within the Council area. All other development applications not considered by the Panel, are considered by authorised officers of Council under delegated powers. The Panel is comprised of seven members, including:

- » three Elected Members of Council
- » three independent members
- » an independent Presiding Member

During the 2012/13 financial year, the Panel considered 23 applications. Of these 23 applications:

- » 19 were approved on the day
- » 1 application was deferred pending further information
- » 2 applications received approval to proceed to full assessment
- » 1 application was withdrawn.

Audit Committee

The Audit Committee is established under Section 41 of the *Local Government Act 1999* and *Local Government (Financial Management) Variation Regulations 2006*, to meet the purposes of Section 126 of the *Local Government Act 1999*.

The Committee is appointed by Council and consists of:

- » three Elected Members of Council
- » two independent members

During the reporting period, the two independent members appointed to the Committee were Mr Peter Brass and Mr David Hurley.

The Audit Committee's focus for the next 12 – 24 months is firmly in the areas of internal audit, internal controls and risk management. This is in addition to the normal governance and financial responsibilities of the Audit Committee.

Special Purpose Committees

A number of Special Purpose Committees have been established pursuant to Section 41 of the *Local Government Act 1999*.

These committees comprise Elected Members, staff and the public, whose principal aim is either to investigate and/or advise Council on particular issues or manage specified property. Currently the Special Committees are:

- » Yorke Peninsula Art Exhibition Committee
- » Yorke Peninsula Building and Fire Safety Committee
- » Yorketown Caravan Park Management Committee

NOTICE OF MEETINGS

Notices of all meetings and agendas are available for public viewing:

- » at all Council offices three days before each meeting
- » on the Council website (www.yorke.sa.gov.au) as soon as practicable

DELEGATIONS

The Chief Executive Officer and other administrative personnel have the delegated authority from Council to make certain decisions on specified administrative and policy matters. These delegations are listed in the Delegations Register and are reviewed annually in accordance with legislative responsibilities:

- » to determine policies to be applied by the Council
- » to determine the type, range and scope of projects to be undertaken by the Council
- » to develop comprehensive management plans, budgets, financial controls and performance objectives and indicators of Council operations

Council makes decisions, which direct and/or determine its activities and functions including approving works and services, and the related resources.

ELECTED MEMBER ALLOWANCES

A member of Council is entitled to receive an annual allowance for performing and discharging their official function and duties.

Elected Member allowances are set by an independent remuneration tribunal, in accordance with Section 76 of the *Local Government Act 1999*;

For 2012/13, our Council was determined as 'Group 3' and the allowances are set out below:

ORDINARY COUNCIL (Group 3)	ANNUAL ALLOWANCE
Mayoral	\$49,060
Deputy Mayor	\$15,331
Elected Members	\$12,265

In addition to the allowance, Council provided Elected Members with either a laptop computer or iPad and a multi-function centre (fax, copier and scanner) and where applicable travel expenses are also reimbursed. The Mayor is provided with a vehicle, mobile phone, iPad and computer for conduct of official Council business.

COUNCIL COMMITTEE ALLOWANCES

Members of the Development Assessment Panel and Audit Committee are remunerated per sitting as documented in the table below:

AUDIT COMMITTEE	ALLOWANCE
Chairperson	\$450
Independent Member	\$350
DEVELOPMENT ASSESSMENT PANEL	ALLOWANCE
Chairperson	\$150
Independent Member	\$100

Audit Committee members are also reimbursed for associated travel costs.

ELECTED MEMBERS TRAINING & DEVELOPMENT

Training and development activities are undertaken to assist Elected Members in the performance and discharge of their functions and duties in accordance with the *Local Government Act 1999*. Council has provided a range of training opportunities for our Elected Members, as highlighted below:

TRAINING COURSE	NO. ATTENDING
20th Roads & Works Conference	4
Integrity Principles, Systems & Operations for Local Government	3
National Sea change Conference & Task force	2
National General Assembly (Canberra)	1
LGMA National Congress & Business Expo Hobart	2
LGA New Zealand Local Government Excellence Study Tour	1
LGA Presidents Forum	1

REVIEW OF INTERNAL DECISIONS

Section 270 of the *Local Government Act 1999* requires a process to review internal decisions.

One request for an internal review of decision was received during 2012/13. The review was conducted in accordance with the Internal Review of a Council Decision policy. The matter was referred to the Ombudsman by the complainant for further review.

CONFIDENTIAL ITEMS

During 2012/13 Council undertook three in camera closed sessions to discuss Confidential Items in accordance with Sections 90 (2) and (3) (a) (d) (g) (k) of the *Local Government Act 1999*, as follows:

11 July 2012	Ombudsman's Revised Provisional Report (also considered confidential under the Ombudsman's Act)
12 Dec 2012	Acquisition of council property
13 Feb 2013	Black Point boat ramp tender evaluation

The following confidential items were released for public record during 2012/13:

9 May 2012	Ombudsman's Provisional Report
13 June 2012	Chief Executive Officer's Performance Appraisal

COUNCIL REGISTERS, CODES & POLICIES

Council maintains a series of registers, codes and policies in accordance with the *Local Government Act 1999* and the *Local Government (Elections) Act 1999*. These are:

Registers

» Register of Members Interests (Ordinary Return)
» Register of Members Interests (Primary Return)
» Register of Elected Members Allowances and Benefits
» Register of Officers Remuneration, Salaries and Benefits
» Register of Officers Interests (Ordinary Return)
» Register of Officers Interests (Primary Return)
» Register of Fees and Charges

» Community Management Plans

» Register of Community Land

» Register of Public Roads

» Register of By-Laws

Codes

» Section 63	Code of Conduct for Elected Members (Policy reference: PO0123)
» Section 92	Code of Practice for Access to Council Meetings, Committee Meetings and Council Documents (Policy reference: PO015)
» Section 110	Code of Conduct for Employees (Policy Reference: PO014)

Statutory Policies

» Section 49	Purchase Of Goods & Services Policy and Tender & Quotation Policy
» Section 50	Public Consultation Policy
» Section 77 (1)(b)	Elected Member Travel Policy
» Section 78	Provision of Facilities and Services to Elected Members
» Section 80A	Elected Member Training Development Policy
» Section 125	Internal Control Project - Framework & Implementation Plan
» Section 219	Street, Road and Public Place Naming Policy
» Section 259	Order Making Policy
» Section 270	Internal Review of a Council Decision Policy

New Policies

During 2012/13 a comprehensive review of Council's policy manual has been undertaken. As a result there have been three new policies developed:

- » Complaints
- » Fraud and Corruption
- » Desalination Plant Policy

CORPORATE MANAGEMENT TEAM

At 30 June 2013, the Corporate Management Team consisted of the Chief Executive Officer and three Directors as follows:

- » Chief Executive Officer, Andrew Cameron
- » Director Corporate and Community Services, David Harding
- » Director Development Services, Roger Brooks
- » Director Assets and Infrastructure, Trevor Graham

CORPORATE MANAGEMENT TEAM ALLOWANCES

Salary packages for members of the Corporate Management Team include salary, superannuation, a motor vehicle, mobile phone and internet.

All benefits for all staff are recorded in the Officers Remuneration, Salaries and Benefits Register.

FREEDOM OF INFORMATION

This Information Statement is published by Council in accordance with the requirements of Section 9 (1) & (1a) of the *Freedom of Information Act 1991*.

An updated Information Statement will be published at least every 12 months and will be incorporated into the Annual Report.

Under this legislation, an application fee must be forwarded with the appropriately completed request form unless the applicant is granted an exemption.

Copies of any documents inspected, pursuant to a Freedom of Information request, will incur charges as set out in the Act.

Freedom of Information request forms are available at the Council offices and should be addressed to:

Mrs Jackie Reddaway

Executive Assistant to the Chief Executive Officer and Mayor
Accredited FOI Officer
PO Box 88
MINLATON SA 5575

During 2012/13 financial year two Freedom of Information applications were received and full release was granted for both.

TENDERING & PROCUREMENT

Council's Tender and Quotation and Purchase of Goods & Services Policies and supporting procedures, have been developed pursuant to Section 49 of the *Local Government Act 1999*.

NATIONAL COMPETITION POLICY

Council has identified the operation of four Caravan Parks as 'category 2 business activities' under the National Competition Policy.

To ensure that the identified caravan parks are not operating with any anti-competitive advantage, Council conducts an annual market survey of all Caravan Park operations within the Council area. We are pleased to report that the Council operated Caravan Parks are charging market rates, relevant to the area and are therefore not applying any anti-competitive principles.

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

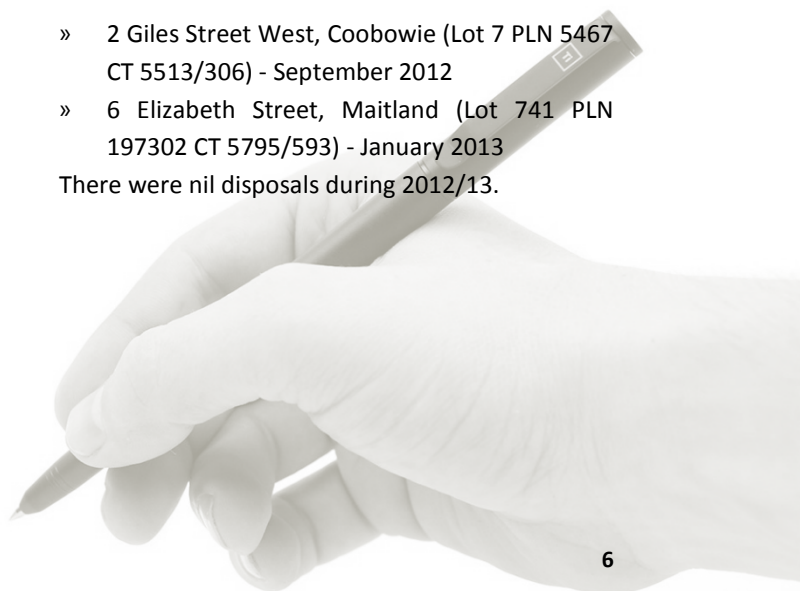
MANAGEMENT PLANS FOR COMMUNITY LAND

Community Land Management Plans guide the development and use of land pursuant to the requirement under Chapter 11 of the *Local Government Act 1999*, and to provide a community focus for the use and maintenance of these important land holdings.

All land has been identified and captured on a Community Land Register. During 2012/13 Council had the following acquisitions:

- » 2 Giles Street West, Coobowie (Lot 7 PLN 5467 CT 5513/306) - September 2012
- » 6 Elizabeth Street, Maitland (Lot 741 PLN 197302 CT 5795/593) - January 2013

There were nil disposals during 2012/13.



HUMAN RESOURCES

Success as an organisation is dependent on our people. As at 30 June 2013, Council employed 148 people:

EMPLOYMENT STATUS	FEMALE	MALE
Permanent (Full-time)	18	66
Permanent (Part-time)	12	1
Casual	30	3
Traineeships	1	3
Fixed Term Contracts (< 2 years)	9	5
Total	70	78

Where required, Council utilises contractors for specialised projects and services.

STAFF TRAINING & DEVELOPMENT

Council maintains a balance of well trained and responsive staff to ensure Council can respond quickly and efficiently to localised problems and concerns. Many of Council's employees are undertaking, or have completed skills based training, including:

- » 28 employees commenced studies working towards formal qualifications
- » Three employees undertook higher education qualifications (Diploma and Degrees)
- » 25 employees began traineeships within horticulture, construction, work, health and safety, human resources and management disciplines

All employees participated in an Employee Opinion Survey and Workplace Bullying training. A number of employees also participated in the Local Government Managers Australia SA (LGMA) Emerging Leaders program and LGMA Management Challenge.

Council has developed competency profiles for all employee positions and a new training needs analysis program to complement this work.

PERSONAL DEVELOPMENT

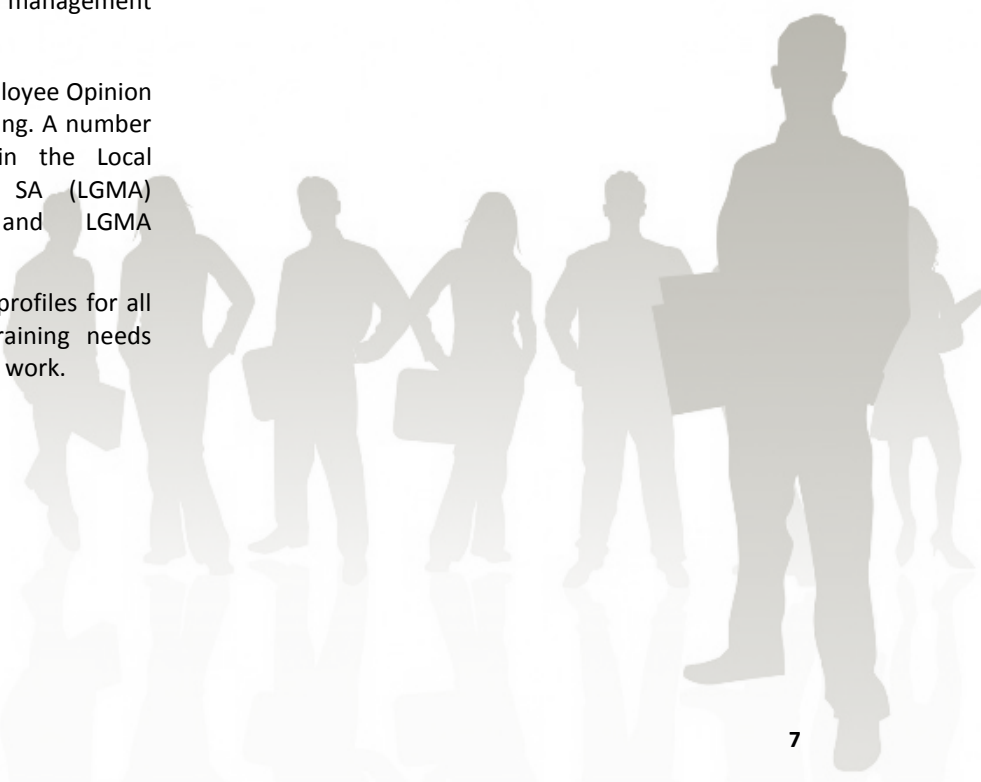
In 2012, Council undertook a Workforce Profile Survey and developed the 'Workforce Plan 2013/15', to assist in determining and shaping the capacity and capability of Council's workforce and meeting organisational goals and directions into the future.

A performance review, employee development and career management process called 'My Plan' has also been developed to facilitate skill analysis and development.

STAFF WELL-BEING

In partnership with the Local Government Association and Corporate Health Group, Council continues to provide an Employee Wellness program for all employees including:

- » annual health assessments
- » skin screenings
- » flu vaccinations



STRATEGIC PLANNING

Our Strategic Management Plan (the Plan) provides the foundation for Council to plan for the future.

Developed in consultation with our communities and key stakeholders, the Plan outlines our priorities and sets out what we need to do over the next four years to achieve our goals. It is a dynamic working document that will be continuously reviewed and updated as the needs of the community and Council evolve.

KEY THEMES

The following *Key Themes* are critical in achieving Council's goals:

- » Sustainable Communities
- » Corporate Governance & Leadership
- » Community Engagement

SUSTAINABLE COMMUNITIES

Sustainable Infrastructure — delivering infrastructure that is sustainable and supports our growth

Progressive and Sustainable Development — providing a Development Plan that facilitates growth while safeguarding our environmental assets and community lifestyle

Our Economy — encouraging and supporting a strong diverse economy that will provide employment opportunities for our community

Economic Growth through Sustainable Industrial Development — managing the impact of mining and other major industry growth on Council assets and resources while at the same time enabling maximum benefit to our community

The key actions completed during 2012/13 against the sustainable communities areas include:

- » A review of the road network signage
- » Development of a draft transport plan for public consultation
- » Asset Management Plans have been drafted for Community Wastewater Management systems (CWMS), roads, parks and gardens and buildings infrastructure
- » A documented Recreational Boating Strategy for the Yorke Peninsula region

- » Our Council's Development Plan has been updated to ensure:
 - it meets the changing needs of the community
 - opportunities for rezoning land to facilitate new industries, business, tourism and housing have been considered
 - provision for development of home based and small scale activities have been included
 - locations for accommodation to support mining and tourism have been identified
- » Environmental Impact Assessments which has resulted in the implementation of subsequent protection strategies
- » Tourist information and links made available on Council's website
- » Working in conjunction with the State Government and key stakeholders to minimise the negative impacts of marine parks and snapper spatial closures within the Yorke Peninsula region

CORPORATE GOVERNANCE & LEADERSHIP

Progressive Communities through Strategic Planning — informed decision making; setting the direction to meet the current and future needs of our communities

Organisation Efficiency & Resource Management — delivering efficient and effective services through strategic leadership of our people

The key actions completed during 2012/13 against the corporate governance and leadership areas include:

- » Revision of the 2013 – 2015 Strategic Plan currently out for public consultation
- » Working together with neighbouring councils and the Yorke Peninsula Alliance, to identify opportunities, including resource sharing
- » A staff training needs analysis program
- » A comprehensive Workforce Plan identifying the workforce size, type and quality required to achieve future strategic and operational objectives

- » A review of Council office accommodation
- » A review of Council's risk management policy and identifying organisational risks

COMMUNITY ENGAGEMENT

Vitality and Connection — encouraging optimistic and thriving communities through positive participation in community life

Sense of Ownership — facilitates a sense of community ownership through public participation and authentic communication with our community.

The key actions completed during 2012/13 against the community engagement include:

- » A community satisfaction survey undertaken and actioned
- » Participation in the Youth Network Advisory Council, with a number of successful events held throughout the year



Our

Vision

To be a thriving peninsula, proud of our heritage, lifestyle and diverse, vibrant communities. A great place to live, work and play.

ANNUAL BUSINESS PLAN PERFORMANCE

The table below highlights the performance of capital projects within the 2012/13 period against actual expenditure, noting the following:

- » Port Julia toilet facilities - \$30k funds carried over to 2013/14
- » The expenditure relating to two projects were not budgeted for - 6 Elizabeth Street Maitland and the Yorketown Caravan Park, highlighted in **blue** below.

Capital Projects	2012/13 Actual Expenditure	2012/13 Adopted Budget
Road Infrastructure		
Reseal Allocation	299,908	348,750
Sealed Road Construction		
Ledger Street, Maitland	86,214	94,043
Aaron/Jarrett Street, Maitland	28,151	47,344
Horn Street, Port Clinton	126,570	122,926
Shore Street, Port Clinton	45,197	42,975
Moonta Terrace, Port Clinton	34,507	22,585
Chenoweth Crescent, Parsons Beach	35,439	50,482
Parsons Parade, Parsons Beach	42,772	54,508
Doreen Street, Parsons Beach	20,901	33,042
Leonard Court, Parsons Beach	18,666	29,018
Davit Dr, Esplanade, Swincer St, Bluff Bc	99,432	110,917
Depot Road, Minlaton	98,438	75,960
Unsealed Road Construction		
South Coast Road	180,007	185,327
Schwartz Road	47,793	118,835
Yorke Valley/Cunningham Road	47,010	86,252
North-South Road	85,401	152,211
Levens Road	287,288	287,843
Willings Road	125,026	161,173
Chinaman Wells Road	59,776	106,280
Micky Flat Road	27,702	95,590
Weavers Road	36,342	93,439
Waylands Road	116,968	113,784
Gap Road	39,566	53,636
Clinton Road	133,876	162,942
Sandy Church Road	90,744	119,747
Didlyamulka Road	30,506	99,579
Beegoodye Wells Road	199,031	147,492
Corny Point Road	376,925	340,334
Honner Road	69,838	84,012
Goldsmith Road	79,415	97,545
Footpaths and Stormwater		
Disabled Access (Townships)	16,657	22,097
Stormwater - Manwurtia Street, Port Clinton	6,634	75,997
Stormwater - Giles Street West, Coobowie	83,840	120,000
Ardrossan Stormwater Harvest Project	219,597	230,000

Capital Projects	2012/13 Actual Expenditure	2012/13 Adopted Budget
Community Wastewater Management Systems		
Ardrossan CWMS	105,074	94,000
Yorke town CWMS	35,627	56,000
Maitland CWMS	26,018	40,000
Port Victoria CWMS	42,135	45,000
Stansbury CWMS	10,950	15,000
Bluff Beach CWMS	8,700	10,000
Black Point CWMS	7,000	7,000
Rogues Point CWMS	5,000	5,000
Port Vincent CWMS	27,361	29,000
Hardwicke Bay CWMS	6,206	7,000
Chinaman Wells CWMS	19,424	16,000
Point Turton CWMS	4,470	5,000
Water Schemes		
Marion Bay Desalination Plant	4,618	7,000
Foreshore		
Port Vincent Open Space Works	57,206	50,000
Boat Ramp - Black Point Upgrade	66,839	350,000
Recreational Facilities	33,949	50,000
Public Conveniences		
Port Julia Toilet Facilities	0	30,000
Wool Bay Toilets	51,343	50,000
Halls		
Yorke town Hall - Electrical Switchboard	49,709	50,000
Machinery		
Equipment - Minor Plant	48,897	50,000
Works Vehicles	141,791	120,000
Plant and Machinery Purchases	897,930	995,000
Indirect		
Depot Capital	257,520	258,000
Administration		
Equipment - Office	16,891	10,000
Equipment - Computer	10,696	11,000
6 Elizabeth St, Maitland	180,830	0
Admin Vehicle Replacements	241,084	214,500
Caravan Parks		
Port Vincent Caravan Park	97,736	122,000
Point Turton Caravan Park	38,820	70,000
Marion Bay Caravan Park	16,244	22,500
Yorke town Caravan Park	10,408	0
Other Caravan Parks	18,938	25,000

EXECUTIVE SERVICES



Chief Executive Officer
Andrew Cameron

Key Council highlights from 2012/13

JULY 2012

- » Minlaton Disability Housing Project completed

AUGUST 2012

- » Mayor Agnew, Cr Rich, Cr Greenslade, Mr Andrew Cameron and members of the Marine Parks reference group successfully secure a meeting with Minister Paul Caica regarding the proposed Marine Parks
- » Council met with Minister Pat Conlon and receives approval for DPTI to take responsibility for Navigational Aids
- » The Parks and Gardens, Community Waste Management Scheme (CWMS) and Asset Management Plans are adopted by Council

SEPTEMBER 2012

- » The land acquisition at Coobowie was finalised; purchased to assist with stormwater infrastructure purposes. Council resolved to exclude the land from the Community Land classification
- » Roadside Vegetation Management Plan amendments are endorsed by Council
- » Council implemented a temporary Dry Zone at various Stansbury locations for New Year's Eve and a long term Dry Zone at Port Victoria foreshore

OCTOBER 2012

- » Council won several KESAB Sustainable Communities Awards. In addition, Stephen Goldsworthy, Operations Manager, was awarded the Judges Commendation Award
- » Council established a Coastal Infrastructure working party to review and prioritise the recommendations contained in the Recreational Boating Strategy and undertook onsite inspections of recreational boating facilities with SABFAC
- » An application submitted by Formby Bay Action Group to have Daly Head recognized as a Surfing Reserve was endorsed
- » Council was successful in attaining a licence as a Water Industry Entity under the new Water Industry Act 2012.
- » Council endorsed the Building Infrastructure and Asset Management Plan for implementation
- » The SA Rural Leadership Management Challenge in Renmark is won by Council team

NOVEMBER 2012

- » Council and the Marine Parks Reference group made a formal submission on the Marine Parks Draft Management Plans
- » Two new members were appointed to the Audit Committee for a period of 4 years; Mr Peter Brass and Mr David Hurley
- » After public consultation, Council endorsed the Ardrossan RV Town Friendly Status
- » Council's Better Development Plan and General Development Plan Amendment were signed off by the Hon John Rau Minister for Planning

DECEMBER 2012

- » Council supported the referendum with a letter of support to the Joint Select Committee on Constitutional Recognition of Local Government
- » The inaugural Yorke Peninsula Visitor Information Centre Development Plan 2012/13 was introduced
- » Council sponsored the Minlaton Golf Club Inc Ladies Committee in hosting the State Bronze Plate Event in July 2013
- » The Yorketown Urban Design Framework as a future action plan for the Yorketown Township was adopted

JANUARY 2013

- » The Development Assessment Panel's Independent Chairman Rodney Button and Independent Members Deb Agnew, Peter Tonkin and Colin Boyce and Elected Members Cr Davey, Cr Cook and Cr Rich were appointed
- » 'In principle' support offered to the Minlaton Skate Park Committee to construct a skate park at Minlaton

MARCH 2013

- » Public consultation commenced on the Draft Elector Representation Review Options Paper
- » Council endorsed the Four Towns Development Plan Amendment and agreed to proceed to public and agency consultation

APRIL 2013

- » A successful fun day at Port Vincent for Youth in our region was supported by Council
- » Council forwards a submission to PIRSA in relation to Future Snapper Management government consultation process
- » Stephen Goldsworthy won the Award for Excellence in Environmental Leadership and Sustainability at LGMA SA 2013 Leadership Excellence Awards

MAY 2013

- » Council agreed to West Coast Road Corny Point, situated between Wurlie Road and Gleesons Road, being proclaimed as a Conservation Park

JUNE 2013

- » A second round of public consultation commenced on the Elector Representation Review
- » Council agreed to take over ownership of the Balgowan and Port Julia CWMS



Stephen Goldsworthy accepts the Award for Excellence in Environmental Leadership

ASSETS & INFRASTRUCTURE SERVICES



ROAD INFRASTRUCTURE

With Council being the owner of the largest road network within the South Australian Local Government sector, Council's Assets and Infrastructure Services staff constantly experience the challenges of meeting the demand to maintain the road network within the resource allocation.

Council has developed maintenance programs to ensure, as best as possible, an even balance and sustainable service. Maintaining road conditions to an acceptable standard is a constant challenge for Council when weather and other factors promote constantly changing conditions on the 3,393 kilometres of unsealed roads.

The following projects were included in the 2012/13 Capital Works Program:

Sealed Road Construction

- » Ledger Street, Maitland
- » Aaron/Jarrett Street, Maitland
- » Horn Street, Port Clinton
- » Shore Street, Port Clinton
- » Moonta Terrace, Port Clinton
- » Chenoweth Crescent, Parsons Beach
- » Parsons Parade, Parsons Beach
- » Doreen Street, Parsons Beach
- » Leonard Court, Parsons Beach
- » Davit Drive, Bluff Beach
- » Esplanade, Bluff Beach
- » Swincer Street, Bluff Beach
- » Depot Road, Minlaton

Unsealed Road Construction

- » Waylands Road
- » Willings Road
- » Gap Road
- » Clinton Road
- » Schwartz Road
- » North South Road
- » Cunningham Road
- » Chinaman Wells Road
- » Sandy Church Road
- » Didlymulka Road
- » Micky Flat Road
- » Beegoodye Wells Road
- » Corny Point Road
- » South Coast Road
- » Honner Road
- » Weavers Road
- » Goldsmith Road
- » Levens Road

Other Road Related Activities

Regular sealed road maintenance is undertaken by Council employees, utilising the jet patcher whilst reseal requirements, along with the application of new surfaces, are serviced by contractors.

Assets and Infrastructure Services employees maintain Council's unsealed road network using four patrol grading sectors.

Roadside vegetation in rural areas is maintained on an annual schedule utilising both Council employees and contractors. This service was reviewed in 2012/13 financial year to achieve greater efficiency and ensure that accepted service levels were maintained within the allocated budget.



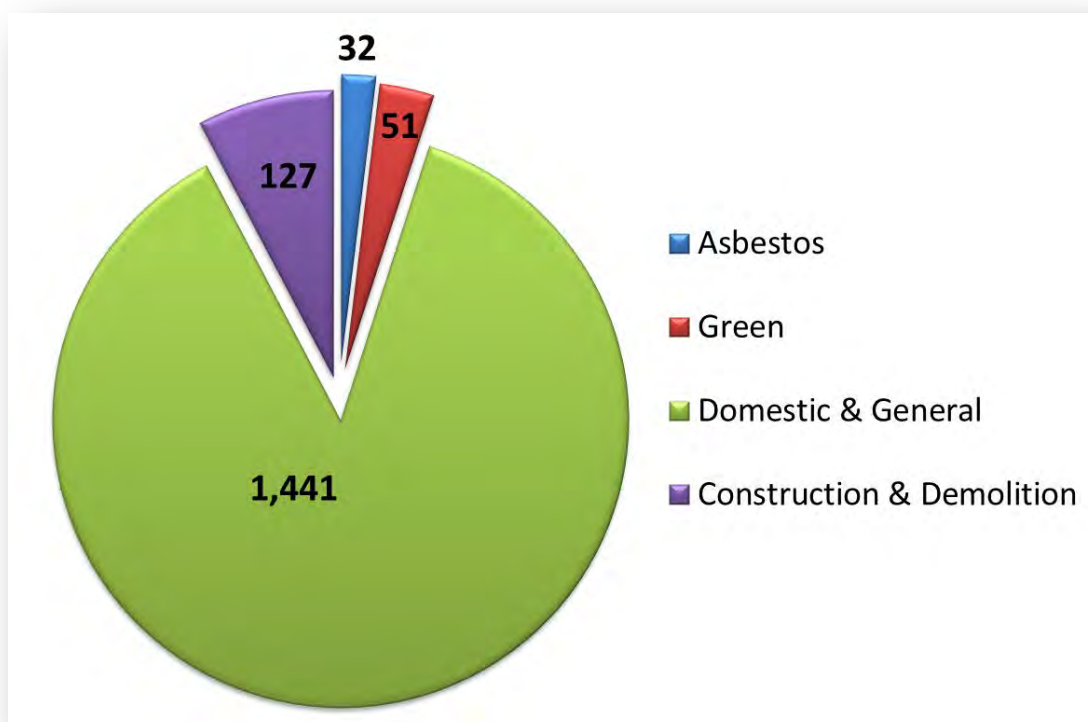
WASTE MANAGEMENT

Council (via a contract) continues to provide a kerbside waste and recycling collection service and Transfer Station outlets for waste and recycling material.

Approximately 4940 tonnes of material was collected via the kerbside waste and recycling service in 2012/13, with a breakdown provided in the table below. It is estimated that 36% of recycling material collected was recovered, with the balance being sent to landfill with putrescible (general) waste.

Month	Collections per month in weeks	Waste Services	Tonnes of Waste	Kgs of Waste per household per week	Recycling Services	Tonnes of Recycling	Kgs of Recycling per household per fortnight	Green Pickups	Tonnes of Green Waste	Kgs of Green Waste per pickup	Total Tonnages collected from households	Percentage Recovered
Jul-12	4.4	9,786	219.62	5.10	9,729	95.64	4.47				315.26	30.3%
Aug-12	4.6	9,801	228.48	5.07	9,744	71.34	3.18				299.82	23.8%
Sep-12	4.0	9,815	214.92	5.47	9,758	79.94	4.10				294.86	27.1%
Oct-12	4.6	9,815	268.60	5.95	9,758	97.88	4.36				366.48	26.7%
Nov-12	4.4	9,822	236.72	5.48	9,764	83.22	3.87				319.94	26.0%
Dec-12	4.2	9,832	258.33	6.26	9,774	91.34	4.45				349.67	26.1%
Jan-13	4.6	9,841	376.76	8.32	9,784	136.34	6.06	4,118	80.66	19.59	593.76	36.5%
Feb-13	4.0	9,841	233.52	5.93	9,784	87.56	4.47	3,877	79.60	20.53	400.68	41.7%
Mar-13	4.2	9,848	210.44	5.09	9,792	70.28	3.42	4,021	82.69	20.56	363.41	42.1%
Apr-13	4.4	9,853	286.96	6.62	9,797	105.04	4.87	4,937	91.10	18.45	483.10	40.6%
May-13	4.6	9,864	234.16	5.16	9,808	75.08	3.33	3,650	77.85	21.33	387.09	39.5%
Jun-13	4.0	9,870	211.88	5.37	9,815	77.42	3.94	3,152	73.90	23.45	363.20	41.7%
Jul-13	4.6	9,873	262.12	5.77	9,818	81.36	3.60	2,658	58.06	21.84	401.54	34.7%

The chart below outlines the breakdown of waste streams collected at Transfer Station level for the 2012/13 financial year. In total 1,650 tonnes of material was deposited at these sites with an estimated 11% recovered for recycling or reuse:



COMMUNITY ENGAGEMENT

Council continues to support the successful National Tree Day events in the area. Assets and Infrastructure Services employees select and prepare suitable revegetation sites and provide materials and guidance to local school students on planting day.

This year Ardrossan Area School, Maitland Area School, Maitland Lutheran School, Port Vincent Primary School and St Columba's Memorial School increased their green time by planting trees, shrubs and grasses at various Council sites, including roadside reserves, landfill rehabilitation sites, quarry borrow pits and foreshore reserves.

This initiative provides a significant environmental benefit for the region and a valuable learning experience for local students.

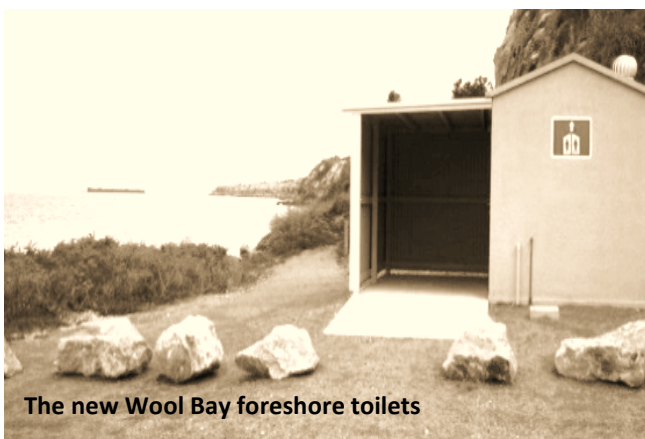
COASTAL ENVIRONMENT

Coastal Dune Rehabilitation

Council successfully secured funding through the Coastcare Community Grants Program for the installation of wire rope fencing at The Gap Camping Area (15km North of Balgowan) to prevent unauthorised access and accelerated erosion to the fragile dune system.

Public Toilet Infrastructure

The Wool Bay foreshore toilets were closed in the interest of public safety in late 2010, following damage sustained as a result of a nearby partial cliff collapse. After an extensive planning and approval process, taking into consideration the sensitive nature of the coastal environment, Council installed new public amenities for the comfort of patrons utilising the foreshore area.

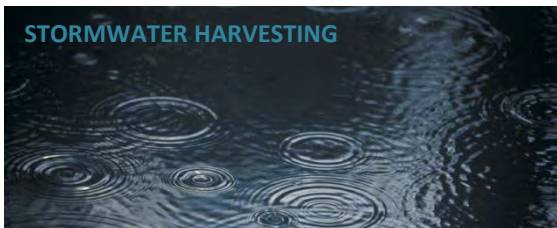


The new Wool Bay foreshore toilets

ASSET MANAGEMENT

Employees have been updating of road network data using a variety of methods, to capture and record vital information.

Council has developed Infrastructure and Asset Management Plans (IAMPs) for CWMS, parks and gardens and buildings asset groups and commenced a review of the existing Roads and Transport IAMP.



The scarcity of water and the risk of environmental degradation as a result of stormwater runoff, prompted the Ardrossan Progress Association to seek a stormwater harvesting and reuse system with the capacity to provide a sustainable water source for community facilities.

In 2010, the Progress Association commissioned a feasibility study to determine suitable models for stormwater harvesting and re-use. Council expressed interest in supporting this valuable initiative for the region.

Stage 1 of the project was completed in early 2013 at a cost of \$230k, which involved the installation of underground drainage and delivery infrastructure for the capture of stormwater runoff.

Funding has been secured for Stage 2 of the project to enable delivery of the water to education and sporting facilities to irrigate playing fields, providing both an economic and environmental benefit for the community.

DEVELOPMENT SERVICES

DEVELOPMENT PLAN REVIEW

All development applications are assessed against the relevant objectives and principles to ensure development approvals are consistent with the Development Plan. Council's Development Plan is constantly reviewed in consideration of current issues. The completed and planned amendments to the Development Plan, commonly referred to as a Development Plan Amendment (DPA) are highlighted below.

Statewide Wind Farms Development Plan Amendment

As reported in the 2011/12 Annual Report, the DPA was prepared by the Minister for Transport and Infrastructure and was given interim approval to allow for further submissions to be considered.

Council was invited and did lodge a submission to the Parliamentary Select Committee on the Statewide Wind Farms DPA and requested a number of matters be considered for amendment.



Better Development Plan (BDP) Development Plan Amendment

The BDP DPA converted and restructured Council's existing Development Plan to align with the State Government requirements. The majority of the DPA doesn't change policy intent, but the conversion resulted in a more streamlined document which is easier to read, use and understand.

Local Development Plan Amendments

The 'Port Vincent', 'Edithburgh Town and Surrounds' and 'Four Town' DPAs were reviewed during 2012/13 and are at various stages of the approval process.

DEVELOPMENT APPLICATIONS

Development applications received during 2012/13 financial year were lower than 2012/14 which also resulted in an 11% drop in the value of developments approved by Council (as noted in the table below). Council also received 204 applications for waste control systems during this reporting period.

YEAR	TOTAL	DWELL-INGS	OTHER	TOTAL VALUE
09/10	767	208	559	\$52.0 mil
10/11	755	141	614	\$46.2 mil
11/12	634	127	507	\$39.4 mil
12/13	623	107	516	\$35.0 mil

The Development (Trusses) Variation Regulations 2011 commenced on 1 July 2012 requiring a minimum inspection rate. Council's Building Inspection Policy had been amended accordingly.



YORKE PENINSULA BUILDING FIRE SAFETY COMMITTEE

Council's Building Fire Safety Committee has the responsibility for matters relating to Section 71 of the *Development Act 1993*, which requires public buildings to be compliant with building, fire and safety requirements. For 2012/13 the committee has convened four times and undertaken the following:

- » 29 fire safety audit inspections, covering 22 premises
- » Issued reports to building owners identifying inadequate fire safety standards or equipment
- » Assisted building owners or occupiers with cost effective solutions to reduce fire risks
- » Followed up inspections to ensure fire safety issues were addressed

No notices pursuant to Section 71 of the Development Act were issued for the period.

ACCESS ADVISORY WORKING PARTY

Membership of the Access Advisory Committee comprises representatives from each Progress Association, two Elected Members and Council employees.

Annually, Council contributes up to \$20,000 towards access issues. Projects implemented during 2012/13 include:

- » Port Victoria RSL Access Ramp
- » Port Vincent Senior Citizens Hall Access Ramp
- » A hand and grab rail to the entrance of the Stansbury public toilets

ANIMAL MANAGEMENT

The Animal Management Plan, adopted pursuant to the *Dog and Cat Management Act 1995*, aims to encourage responsible pet ownership.

Council received 2692 dog registrations (an 8% increase on the previous year) for the period, generating an income of \$65k.

Whilst Council has not introduced laws about cat management, Council employees have been authorised as Cat Management Officers to assist residents with resolving cat issues. The majority of cat complaints received by Council relate to feral and un-owned cats.

A review of Council By-Laws continues and community consultation will be undertaken in late 2013.

BOAT RAMPS

Council owns and maintains thirty two boat launching facilities, six of which require a Boat Launch Permit or a ticket from a vending machine prior to their use, generating revenue of \$135k.

BUSH CAMPING

There are 15 dedicated locations for bush campers, all of which require a permit from Council prior to being used. Nine of these locations also incur a bush camping fee, generating \$15k of revenue in the 2012/13 financial year.

Council personnel regularly patrol these locations to ensure campers have the appropriate permits, particularly during peak holiday periods.

FIRE PREVENTION

Council is part of the Yorke Peninsula Fire Ban District. The Fire Danger Season commenced on 15 November 2012 and concluded at the end of April 2013. Routine inspections of the district resulted in 1,432 notices being issued pursuant to Section 105 of the *Fire & Emergency Services Act 2005*, requiring a reduction in the fuel levels on properties; an increase of approximately 25% on the previous year.



NEW LEGISLATION

After an extensive review process and consultation with key stakeholders within Local Government, the Public Health sector and the community, the Public and Environmental Health Act 1987 has been replaced by the new *South Australian Public Health Act 2011*.

LEGIONELLA

Legionnaires' disease (Legionellosis) is a serious and sometimes fatal form of pneumonia caused by the bacteria *Legionella*. *Legionella* bacteria are found naturally in the environment and thrive in warm water and warm damp places. Council has a number of warm water systems which are regularly audited for compliance.



CORPORATE & COMMUNITY SERVICES

FINANCE

A primary focus of Corporate & Community Services during 2012/13 has been the continuous development and improvement of systems, to ensure that Council has the required levels of financial governance towards long term financial sustainability.

The budgeting processes have been reviewed and a quarterly budget review policy introduced. Further development of the PowerBudget budgeting and reporting tool, implemented during 2011/12 means that Council departments are better equipped to manage budgeting and financial reviews. Information can be tailored for specific areas to ensure timely delivery of financial information.

Council adopted its ten year Long Term Financial Plan along with new policies and processes to ensure that the impact of budget variations, and proposed new projects, are fully understood before any changes are adopted.

A new “on-line” requisitioning system within the current Authority software was implemented to replace the manual Purchase Order system. The new automated system provides a number of benefits including:

- » Greater control of approvals in accordance with delegations and procurement policies
- » More precision with budgeting allocation
- » Committed expenditure accounting

EXTERNAL AUDIT

Council’s appointed external auditor completed their five year assignment on 31 October 2012. As required under the *Local Government Act 1999*, Council issued a tender for external audit services. Following a review of the tenders received in October 2012, Dean Newbery & Partners, Chartered Accountants, were appointed as Council’s external audit service provider for a period of five years.

BANKING TENDER

A review of Council’s banking arrangements was undertaken. It was decided that interested banking organisations should be asked to tender for banking services for a five year period. After a

review of tenders received, the Australian and New Zealand Banking Group Limited (ANZ) were appointed to provide banking and bill payment services.

WAROOKA OFFICE

During the year, a review of the opening hours at the Council’s Warooka office was undertaken. Following public consultation, a decision was made by Council to limit the opening hours of the Warooka office to 9.00 am – 5.00 pm on Tuesdays and Thursdays. This arrangement will be reviewed on an annual basis.

INFORMATION SERVICES

A review of Council’s information infrastructure has been undertaken and a plan developed to ensure communications and computer systems are maintained at an acceptable standard and are ready to utilise any advantage provided by the National Broadband Network when it becomes available to Yorke Peninsula.

COMMUNITY SUPPORT & INFRASTRUCTURE

Council continues to assist local communities through a series of grants and support programs.

In September 2012, \$124,365 of Community Grants were approved for 42 local organisations. Furthermore, in November 2012, Council provided \$39k in funding to local Progress Associations, or similar, to assist them in the valuable work they do in maintaining the local facilities and services.

The four Council managed caravan parks have continued to grow and attract visitors to the region. Throughout the financial year, a number of capital projects were undertaken to try and address the growing demands of the caravanning public. Council has continued to work with the other Caravan Parks across the Peninsula to ensure optimal park operations at all parks.

The four School and Community Libraries over the Yorke Peninsula have been part of the One Library Card System implementation during 2013, allowing users to utilise all libraries across the Council region with one card.

VISITOR INFORMATION CENTRE

The visitor centre continues to work hard to promote the region to potential visitors, as well as encouraging those who are already here to stay longer and visit more places.

In August 2012 the centre took part in the South Australian Living Artists event entitled "A Farming Celebration", featuring nine member artists.



Yorke Peninsula Visitor Centre, in conjunction with Jo Barrie, Yorke Peninsula Tourism Manager, developed its first Development Plan endorsed by Council in December 2012. As part of the plan an online booking system has been installed to facilitate easy access for visitors.

In February this year, two employees attended the Caravan and Camping Show to operate a stand on behalf of our Council, District Council of Copper Coast and Country Getaways Accommodation Services. It was a very successful day with a lot of interest in the region and over 240 Central and Southern Yorke Peninsula Visitor Guides given out.

YORKE PENINSULA COMMUNITY TRANSPORT

Yorke Peninsula Community Transport Incorporated (YPCT) continues to provide transport options for the communities of Barunga West, Copper Coast and Yorke Peninsula, which includes a number of volunteer services and social support options for the frail aged. A number of bus services (SYP Community Bus, Copper Coast Dial-a-ride and daily Health Bus) are also available.

The Board of YPCT manages the day to day operations and volunteer groups across the regions with representation from each Council

area. The District Council of Yorke Peninsula provides accommodation and administrative support including human resources and information technology.

YPCT is part of a state wide network that provides community transport in 13 locations and work across multiple areas. This year YPCT engaged Copper Triangle Taxis to broker services that our volunteer drivers could not provide.

A total of 14,976 one way trips were provided this financial year across the region: volunteer transport totalled 7,553 trips and bus services totalled 7,423. This has been made possible thanks to each Council providing vehicles for YPCT to utilise; including the District Council of Yorke Peninsula which provides a total of five fully maintained vehicles.



We will continue to maximise opportunities to promote the service and our constant need for volunteers, by:

- » A physical presence at the Kadina, Minlaton and Maitland Shows and the Kernewek Lowender festival
- » Community network TV across local supermarkets
- » Regular discussions with community groups
- » Banners and sandwich boards
- » Letterbox drops of pamphlets
- » Signs on the rear of the community cars ("I'm a volunteer driver, why not join us!")

Volunteers are critical to the service we provide. This year, there is only one more volunteer than the previous year.

An important factor in retaining volunteers is training and support. Quarterly volunteer

meetings continue, where issues and concerns are discussed. Similarly, quarterly newsletters are posted on our website. A number of functions were held to provide an opportunity for volunteers to network and share experiences, which were all well attended.

The 'Volunteer Handbook' is now in its third edition and many thanks to Irene Vale who maintains this important volunteer tool.

Council hosted a morning tea in May to celebrate National Volunteers Week in May. Mayor Ray Agnew presented representatives from YPCT and Leisure Options with a Certificate of Appreciation.

YPCT now provide an option of volunteers to drive client's cars. Client car inspections started in late 2009 and as at June 2013, the inspection team has completed more than 500 inspections. Inspections are required to ensure compliance with Workplace Health & Safety legislation.

LEISURE OPTIONS

Leisure Options deliver centre-based activities, social support, and transport to people who are at risk of premature long term residential care, and for younger people with disabilities.

There are a total of 82 registered clients in the Council area.

During the year the service made a total of 895 trips/journeys and travelled approximately 68,400 kilometres, transporting clients and volunteers to groups run at Minlaton, Maitland, Yorketown, and Edithburgh. These groups meet either weekly or fortnightly throughout the year:

- » Arts & Crafts
- » Cooking
- » The Wood Shed
- » Fun & Games
- » Living Skills
- » Trees
- » Edithburgh

A key focus for the 2013/14 financial year is the Volunteer Program – recruitment, training, policies, procedures and fundraising to increase the resources available to members.

Some of the activities this year included:

- » Hosting the 2012 Try Leisure Games at Minlaton, with over 130 clients, carers, families and volunteers from our Council, Barossa and Clare/mid north region participating in a range of indoor and outdoor games followed by a Dinner and Medal Ceremony
- » Monthly trips and excursions, which included the Kernewek Lowender Festival, fishing at various locations, Christmas shopping at Kadina, BBQs and games at Stansbury Caravan Park, activities with the Prince Alfred College Camp, Moonta mines and railway attractions, Minlaton and Maitland show days

Other key achievements include:

- » Appointment of a new Administration Officer
- » Acquisition of a nine seater bus from Community Transport
- » Increased consultations with members in areas of service delivery and service improvements



DISTRICT COUNCIL OF YORKE PENINSULA

General Purpose Financial Reports for the year ended 30 June 2013

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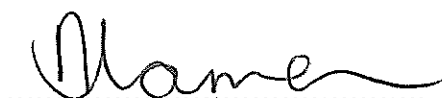
DISTRICT COUNCIL OF YORKE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

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 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Andrew Cameron
CHIEF EXECUTIVE OFFICER



Ray Agnew
MAYOR

Date: 13.11.13

DISTRICT COUNCIL OF YORKE PENINSULA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Rates	2	16,429,618	15,326,245
Statutory charges	2	379,475	442,082
User charges	2	2,861,316	2,674,188
Grants, subsidies and contributions	2	3,396,569	4,132,491
Investment income	2	251,008	291,605
Reimbursements	2	569,647	650,774
Other income	2	212,478	393,009
Total Income		<u>24,100,111</u>	<u>23,910,394</u>
EXPENSES			
Employee costs	3	7,140,182	6,501,629
Materials, contracts & other expenses	3	11,152,047	11,008,463
Depreciation, amortisation & impairment	3	8,826,936	9,333,032
Finance costs	3	302,849	368,610
Total Expenses		<u>27,422,014</u>	<u>27,211,734</u>
OPERATING SURPLUS / (DEFICIT)		(3,321,903)	(3,301,340)
Asset disposal & fair value adjustments	4	28,790	(158,233)
Amounts received specifically for new or upgraded assets	2	593,853	690,042
Physical resources received free of charge	2	<u>13,700</u>	<u>609,433</u>
NET SURPLUS / (DEFICIT)		(2,685,560)	(2,160,098)
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	24,458,619	1,106,580
Transfer to accumulated surplus on disposal sale of revalued infrastructure, property, plant & equipment		<u>(14,430,758)</u>	<u>-</u>
Total Other Comprehensive Income		<u>10,027,861</u>	<u>1,106,580</u>
TOTAL COMPREHENSIVE INCOME		<u>7,342,301</u>	<u>(1,053,518)</u>

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

DISTRICT COUNCIL OF YORKE PENINSULA

BALANCE SHEET

as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,961,412	4,217,134
Trade & other receivables	5	1,154,269	985,925
Inventories	5	886,729	828,176
Total Current Assets		5,002,410	6,031,235
Non-current Assets			
Financial assets	6	467,065	536,936
Infrastructure, property, plant & equipment	7	276,041,152	254,539,597
Total Non-current Assets		276,508,217	255,076,533
Total Assets		281,510,627	261,107,768
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,914,295	2,318,885
Borrowings	8	747,962	962,858
Provisions	8	857,162	815,532
Total Current Liabilities		3,519,419	4,097,275
Non-current Liabilities			
Borrowings	8	2,236,732	2,984,694
Provisions	8	309,455	312,778
Total Non-current Liabilities		2,546,187	3,297,472
Total Liabilities		6,065,606	7,394,747
NET ASSETS		275,445,021	253,713,021
EQUITY			
Accumulated Surplus		(1,054,323)	(13,285,064)
Asset Revaluation Reserves	9	275,705,534	265,677,673
Other Reserves	9	793,810	1,320,412
TOTAL EQUITY		275,445,021	253,713,021

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

DISTRICT COUNCIL OF YORKE PENINSULA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2013		\$	\$	\$	\$
Balance at end of previous reporting period		(13,285,064)	265,677,673	1,320,412	253,713,021
Adjustment to give effect to changed accounting policies		(41,059)	-	-	(41,059)
Restated opening balance		(13,326,123)	265,677,673	1,320,412	253,671,962
Net Surplus / (Deficit) for Year		(2,685,560)	-	-	(2,685,560)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment	9		24,458,619	-	24,458,619
Transfer to accumulated surplus on disposal of infrastructure, property, plant & equipment	9	14,430,758	(14,430,758)	-	-
Transfers between reserves	9	526,602		(526,602)	-
Balance at end of period		(1,054,323)	275,705,534	793,810	275,445,021

2012

Balance at end of previous reporting period		(11,401,244)	264,571,093	1,596,690	254,766,539
Adjustment to give effect to changed accounting policies		-	-	-	-
Restated opening balance		(11,401,244)	264,571,093	1,596,690	254,766,539
Net Surplus / (Deficit) for Year		(2,160,098)	-	-	(2,160,098)
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	1,106,580	-	1,106,580
Transfers between reserves		276,278	-	(276,278)	-
Balance at end of period		(13,285,064)	265,677,673	1,320,412	253,713,021

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

DISTRICT COUNCIL OF YORKE PENINSULA

CASH FLOW STATEMENT for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		16,356,900	15,292,057
Fees & other charges		409,622	470,312
User charges		2,923,449	3,137,755
Investment receipts		291,552	390,248
Grants utilised for operating purposes		3,651,312	4,442,428
Reimbursements		626,612	715,851
Other revenues		(212,007)	2,144,318
<u>Payments</u>			
Employee costs		(7,102,705)	(6,489,556)
Materials, contracts & other expenses		(11,837,667)	(13,902,357)
Finance payments		(235,412)	(320,440)
Net Cash provided by (or used in) Operating Activities	11	4,871,656	5,880,616
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		593,853	690,042
Sale of replaced assets		162,432	409,443
Net disposal of investment securities		5,000	-
Repayments of loans by community groups		56,009	48,009
Repayments of Loans by Developers		8,000	24,000
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,725,064)	(2,901,762)
Expenditure on new/upgraded assets		(2,264,750)	(3,646,612)
Loans made to community groups		-	(330,000)
Net Cash provided by (or used in) Investing Activities		(5,164,520)	(5,706,880)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of borrowings		(962,858)	(866,673)
Net Cash provided by (or used in) Financing Activities		(962,858)	(866,673)
Net Increase (Decrease) in cash held		(1,255,722)	(692,937)
Cash & cash equivalents at beginning of period	11	4,217,134	4,910,071
Cash & cash equivalents at end of period	11	2,961,412	4,217,134

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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Prior Period Error Corrected

Council has identified an immaterial prior period error relating to the treatment of a Reserve Transfer processed as at 30 June 2012 totalling \$41,059. An adjustment has been made to the opening Accumulated Surplus balance and reflected in the Statement of Changes in Equity.

2 The Local Government Reporting Entity

District Council of Yorke Peninsula is incorporated under the SA Local Government Act 1999 and has its principal place of business at 8 Elizabeth Street, Maitland SA, 5573. 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.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

3 Income recognition

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

District Council of Yorke Peninsula

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

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

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$553,244 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$1,177,804; and in June 2013, again two quarters of the 2013/14 allocation: \$1,210,438.

It is anticipated that these amounts in advance will be adjusted at some future time, but details of the timing of this are not currently available.

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

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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.

District Council of Yorke Peninsula

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

6.2 Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings – new constructions/extensions	\$5,000
Park & Playground Furniture & Equipment	\$2,000
Road Construction & Reconstruction	\$10,000
Paving & Footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. 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.

6.4 Depreciation of Non-Current Assets

Other than land and roads, 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. Residual values for roads were introduced during the revaluation performed in 2013 by Gayler Engineering.

Major depreciation periods for each class of asset are shown below. 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.

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	5 to 20 years
Vehicles and Road-making Equip	3 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Roadworks – Earthworks	indefinite
Sealed Roads – Surface	15 to 30 years
Sealed Roads – Pavement	20 to 80 years
Unsealed Roads	10 to 20 years
Paving & Footpaths	10 to 70 years
Drains, Kerb & Gutter	70 to 100 years

District Council of Yorke Peninsula

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Reticulation Pipes – PVC	50 to 60 years
Reticulation Pipes – other	25 to 65 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Reserve Furniture	5 to 15 years
Artworks	indefinite

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

Amounts 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.

District Council of Yorke Peninsula

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	2.75% (2012, 3.5%)
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No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

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

10 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".

11 Provision for Carbon Taxation

Council operates a number of small landfill facilities, each of which, and in aggregate, are substantially below the taxation threshold of 25,000 tonnes of carbon dioxide equivalent (CO₂e) gas emissions.

Council considers that it has no current or likely future liability for this tax.

12 Leases

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

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

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

13 GST Implications

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

District Council of Yorke Peninsula

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

- 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.

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interests in Other Entities
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures
AASB 132	Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

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

As at reporting date, Council was not in a position to determine if any of the new Standards or Interpretations will affect any of the amounts recognised in the financial statements.

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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	2013 Notes \$	2012 \$
RATES REVENUES		
<u>General Rates</u>	12,432,320	11,601,238
Less: Mandatory rebates	(91,727)	(73,377)
Less: Discretionary rebates, remissions & write offs	(4,961)	(16,136)
	<u>12,335,632</u>	<u>11,511,725</u>
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	703,467	667,647
Waste collection	2,030,330	1,890,025
Water supply	170,770	162,165
Community wastewater management systems	1,118,025	1,021,419
	<u>4,022,592</u>	<u>3,741,256</u>
<u>Other Charges</u>		
Penalties for late payment	45,878	42,843
Legal & other costs recovered	25,516	30,421
	<u>71,394</u>	<u>73,264</u>
	<u>16,429,618</u>	<u>15,326,245</u>
 STATUTORY CHARGES		
Development Act fees	196,001	210,707
Town planning fees	8,411	75,422
Health & Septic Tank Inspection fees	37,181	48,853
Animal registration fees & fines	70,699	51,509
Parking fines / expiation fees	9,109	-
Other Registration Fees	13,790	24,154
Sundry	44,284	31,437
	<u>379,475</u>	<u>442,082</u>
 <i>Comparative figures have been restated for the 2012 financial year due to introduction of a new category (Health and Septic Tank Inspection Fees). The principal Statements are not affected by this change.</i>		
 USER CHARGES		
Cemetery fees	25,620	22,133
Commercial activity revenue (Other Commercial)	52,012	44,484
Commercial activity revenue (Caravan Parks)	2,378,442	2,268,544
Hall & equipment hire	44,776	43,513
Boat Ramp Fees	135,761	124,754
Sales - general	45,249	39,091
Water	99,776	66,860
Sundry	79,680	64,809
	<u>2,861,316</u>	<u>2,674,188</u>
 INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	196,571	252,387
Banks & other	54,437	39,218
	<u>251,008</u>	<u>291,605</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	2013	2012
Notes	\$	\$
REIMBURSEMENTS		
- for roadworks	26,712	30,787
- for private works	545	-
- by joint undertakings	2,991	12,046
- other	<u>539,399</u>	<u>607,941</u>
	<u>569,647</u>	<u>650,774</u>
 OTHER INCOME		
Sundry	<u>212,478</u>	<u>393,009</u>
	<u>212,478</u>	<u>393,009</u>
 GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	593,853	690,042
Other grants, subsidies and contributions	2,186,131	2,954,687
Individually Significant Item - additional grants commission payment	<u>1,210,438</u>	<u>1,177,804</u>
	<u>3,990,422</u>	<u>4,822,533</u>
 Sources of grants		
Commonwealth government	3,221,584	3,796,607
State government	632,907	584,955
Other	<u>135,931</u>	<u>440,971</u>
	<u>3,990,422</u>	<u>4,822,533</u>

Individually Significant Item

On 28 June 2012, Council received payment of the first two instalments of the 2012/13 Grant Commission (FAG) grant. Similarly, on 20 June 2013 Council received payment of the first two instalments of the 2013/14 grant.

	1,210,438	1,177,804
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These amounts are, as required, recognised in these accounts as income upon receipt.

The receipt of two installments had a material effect on the 2011/2012 financial statements.

Material adverse effects will be experienced when the timing of these grant payments is restored to normal schedule. It is not known when this will occur.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	2013	2012
Notes	\$	\$
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>	43,179	89,049
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>	-	(2,811)
<i>Heritage & Cultural Services</i>	(43,179)	(86,238)
<i>Subtotal</i>	(43,179)	(89,049)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Heritage & Cultural Services</i>	-	43,179
<i>Subtotal</i>	-	43,179
<i>Unexpended at the close of this reporting period</i>	43,179	43,179
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	(43,179)	(45,870)
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
<i>Roads, Bridges & Footpaths</i>	-	609,433
<i>Stormwater Drainage</i>	13,700	-
TOTAL PHYSICAL RESOURCES RECEIVED	13,700	609,433

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 \$	2012 \$
EMPLOYEE COSTS			
Salaries and Wages		6,365,731	5,940,613
Employee leave expense		565,284	539,792
Superannuation - defined contribution plan contributions	18	230,448	277,800
Superannuation - defined benefit plan contributions	18	372,866	323,309
Workers' Compensation Insurance		326,176	293,240
Other		110,678	99,497
Less: Capitalised and distributed costs		(831,001)	(972,622)
Total Operating Employee Costs		7,140,182	6,501,629
 Total Number of Employees		 110	 110
<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		17,060	16,260
- Other Services		5,799	1,171
Elected members' expenses		315,924	276,101
Election expenses		-	541
Operating Lease Rentals - non-cancellable leases	17		
- minimum lease payments		94,360	87,739
Subtotal - Prescribed Expenses		433,143	381,812
<u>Other Materials, Contracts & Expenses</u>			
Contractors		2,563,726	2,520,911
Energy		722,664	590,767
Water		631,680	384,068
Insurance		527,963	539,576
Legal Expenses		106,480	58,228
Levies paid to government - NRM levy		704,226	667,854
- Other Levies		49,776	43,302
Parts, accessories & consumables		1,647,662	1,925,518
Professional services		375,269	507,149
Professional services - waste management		1,942,025	1,981,836
Sundry		1,447,433	1,407,442
Subtotal - Other Materials, Contracts & Expenses		10,718,904	10,626,651
		11,152,047	11,008,463

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES (cont)

	Notes	2013 \$	2012 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		1,948,080	1,934,350
Transport Infrastructure		4,869,454	5,457,661
Stormwater Drainage		105,657	105,657
Plant & Equipment		1,016,058	958,944
Furniture & Fittings		101,357	103,375
CWMS Infrastructure		329,454	329,454
Water Scheme Infrastructure		44,869	44,869
Other Assets		412,007	398,722
		<u>8,826,936</u>	<u>9,333,032</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		59,671	56,123
Interest on Loans		243,178	312,487
		<u>302,849</u>	<u>368,610</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2013 \$	2012 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		162,432	409,443
Less: Carrying amount of assets sold		133,642	317,091
Gain (Loss) on disposal		28,790	92,352
<i>Assets surplus to requirements</i>			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	250,585
Gain (Loss) on disposal		-	(250,585)
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		 28,790	 (158,233)

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 5 - CURRENT ASSETS

	2013	2012
	Notes	
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	149,796	59,386
Deposits at Call	2,811,616	4,157,748
	<u>2,961,412</u>	<u>4,217,134</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	327,928	255,210
Rates postponed for State Seniors		
Accrued Revenues	79,857	161,460
Debtors - general	373,032	136,061
Other levels of Government		
GST Recoupment	72,374	183,892
Prepayments	244,207	193,293
Loans to community organisations	50,871	56,009
Aged Care Facility Deposits		
Loans to Developers	6,000	-
Total	<u>1,154,269</u>	<u>985,925</u>
 Less: Allowance for Doubtful Debts	<u>-</u>	<u>-</u>
	<u>1,154,269</u>	<u>985,925</u>
 INVENTORIES		
Stores & Materials	886,729	828,176
	<u>886,729</u>	<u>828,176</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 6 - NON-CURRENT ASSETS

	Notes	2013 \$	2012 \$
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		467,065	517,936
Loans To Developers		-	14,000
		<u>467,065</u>	<u>531,936</u>
Other Financial Assets			
Brentwood Hall - Investment Account (Esanda)		-	5,000
TOTAL FINANCIAL ASSETS		<u>467,065</u>	<u>536,936</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012 \$				2013 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	69,165,000	-	-	69,165,000	69,165,000	-	-	69,165,000
Buildings & Other Structures	73,974,259	1,042,609	(37,842,415)	37,174,453	73,512,839	1,582,010	(39,329,075)	35,765,774
Transport Infrastructure	229,406,474	-	(110,217,070)	119,189,404	241,552,547	-	(99,787,912)	141,764,635
Stormwater Drainage	6,108,240	876,932	(2,861,095)	4,124,077	6,108,240	1,187,003	(2,966,752)	4,328,491
Plant & Equipment	-	11,738,888	(5,986,637)	5,752,251	-	11,107,482	(5,062,090)	6,045,392
Furniture & Fittings	-	1,776,154	(1,117,335)	658,819	-	1,662,619	(1,026,422)	636,197
CWMS Infrastructure	17,711,485	-	(6,395,087)	11,316,398	17,793,288	297,966	(6,792,644)	11,298,610
Water Scheme Infrastructure	1,794,767	12,476	(495,252)	1,311,991	1,794,767	17,094	(540,121)	1,271,740
Other assets	-	14,587,455	(8,740,251)	5,847,204	-	9,074,176	(3,308,863)	5,765,313
TOTAL PROPERTY, PLANT & EQUIPMENT	398,160,225	30,034,514	(173,655,142)	254,539,597	409,926,681	24,928,350	(158,813,879)	276,041,152
Comparatives	393,247,661	27,147,418	(164,322,110)	256,072,969	398,160,225	30,034,514	(173,655,142)	254,539,597

This Note continues on the following pages.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR						2013
	\$		\$				\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				
Land	69,165,000	-	-	-	-	-	69,165,000
Buildings & Other Structures	37,174,453	485,806	53,595	-	(1,948,080)	-	35,765,774
Transport Infrastructure	119,189,404	636,287	2,349,779	-	(4,869,454)	24,458,619	141,764,635
Stormwater Drainage	4,124,077	310,071	-	-	(105,657)	-	4,328,491
Plant & Equipment	5,752,251	282,000	1,139,340	(112,141)	(1,016,058)	-	6,045,392
Furniture & Fittings	658,819	65,973	12,762	-	(101,357)	-	636,197
CWMS Infrastructure	11,316,398	304,666	7,000	-	(329,454)	-	11,298,610
Water Scheme Infrastructure	1,311,991	4,618	-	-	(44,869)	-	1,271,740
Other assets	5,847,204	189,029	162,588	(21,501)	(412,007)	-	5,765,313
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	254,539,597	2,278,450	3,725,064	(133,642)	(8,826,936)	24,458,619	276,041,152
Comparatives	256,072,969	3,646,612	3,614,144	(567,676)	(9,333,032)	1,106,580	254,539,597

This Note continues on the following pages.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

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.

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

Buildings & Other Structures

Buildings and other structures are recognised on written down current replacement cost, deriving from a valuation at 30 June 2010, undertaken by Maloney Field Services. Their valuation has separated each building into its component parts (i.e. structure, flooring, roof, etc.) and buildings are depreciated on the basis of the component parts.

Infrastructure

Transportation Infrastructure

Condition assessments were undertaken by Tonkin Consulting as at 30 June 2008. Gayler Professional Services undertook a review of the Replacement Cost Unit Rates and useful lives as at 30 June 2011. Council undertook a certified internal review and update of these unit rates as at 30 June 2012 and indexed them by 5-5.8% across different asset classifications within Infrastructure assets. An independent desktop review of unit rates was undertaken by Gayler Professional Services at 30 June 2013. As a result of further data collection undertaken, spatial information has been adapted to reflect current conditions.

Stormwater

Stormwater drainage infrastructure was valued by Gayler Professional Services as at 30 June 2011 at written down current replacement cost and pursuant to Council's election are disclosed at written down replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community Wastewater Management Schemes

Community wastewater management system infrastructure was valued by Gayler Professional Services as at 30 June 2011 at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Water Supply Schemes

Water Supply scheme infrastructure was valued by Gayler Professional Services as at 30 June 2011 at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis.

These include Other Assets and Minor Plant.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 8 - LIABILITIES

	Notes	2013		2012	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		575,354		977,379	
Payments received in advance		57,000	-	8,261	-
Accrued expenses - employee entitlements		868,620	-	914,202	-
Accrued expenses - other		235,614	-	168,177	-
Deposits, Retentions & Bonds		31,946	-	234,125	-
Other		145,761	-	16,741	-
		<u>1,914,295</u>	<u>-</u>	<u>2,318,885</u>	<u>-</u>

BORROWINGS

Loans	747,962	2,236,732	962,858	2,984,694
	<u>747,962</u>	<u>2,236,732</u>	<u>962,858</u>	<u>2,984,694</u>

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

PROVISIONS

Employee entitlements (including oncosts)	804,230	158,610	763,647	116,134
Future reinstatement / restoration, etc	52,932	150,845	51,885	196,644
	<u>857,162</u>	<u>309,455</u>	<u>815,532</u>	<u>312,778</u>

Movements in Provisions - 2013 year only (current & non-current)

	Carbon Tax	Insurance Losses	Future Reinstatement	Other Provision
Opening Balance			248,529	
(Less) Payments	-	-	(44,752)	-
Closing Balance			<u>203,777</u>	

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2012	Net Increments (Decrements)	Transfers, Impairments	30/6/2013
	Notes	\$	\$	\$
Land		69,248,000	(369,150)	68,878,850
Buildings & Other Structures		49,147,967	(13,833,692)	35,314,275
Stormwater Drainage		3,478,396	-	3,478,396
CWMS Infrastructure		9,219,060	-	9,219,060
Transport Infrastructure		134,432,328	(227,916)	158,663,031
Water Schemes		151,922	-	151,922
TOTAL		265,677,673	(14,430,758)	275,705,534
<i>Comparatives</i>		<i>264,571,093</i>	<i>1,106,580</i>	<i>265,677,673</i>

OTHER RESERVES	1/7/2012	Transfers to Reserve	Transfers from Reserve	30/6/2013
Balgowan Water Supply	28,836	-	(28,121)	715
Balgowan (Gills) Water Augmentation	49,342	-	-	49,342
Black Point Water Supply	46,086	-	(10,391)	35,695
Combined Effluent Reserve	253,861	-	(129,249)	124,612
Curramulka RSL Trust Fund	1,696	-	(1,696)	0
Erishsen Heritage Trust Fund	12,860	-	(12,860)	0
Hardwicke Bay Effluent Augmentation	180,820	-	(3,806)	177,014
Hardwicke Bay Water Supply	26,302	5,396	-	31,698
Hardwicke Bay Water Augmentation	41,448	-	-	41,448
Minlaton RSL Trust Fund	1,762	-	(1,762)	0
Open Space and Recreation	98,557	-	(98,557)	0
Point Souttar Effluent Augmentation	17,071	-	-	17,071
Port Victoria Effluent Augmentation	298,395	17,820	-	316,215
Port Vincent Effluent Augmentation	11,023	-	(11,023)	0
Port Vincent Marina Infrastructure	39,220	-	(39,220)	0
Rogues Point Stormwater Augmentation	168,872	-	(168,872)	0
Stansbury CWMS	367	-	(367)	0
Warooka RSL Trust Fund	4,992	-	(4,992)	0
Yorke town Caravan Park	38,902	-	(38,902)	0
TOTAL OTHER RESERVES	1,320,412	23,216	(549,818)	793,810
<i>Comparatives</i>	<i>1,596,690</i>	<i>170,662</i>	<i>(446,940)</i>	<i>1,320,412</i>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 - RESERVES (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Balgowan Water Supply

Investment of surplus funds from water service charges levied for Balgowan, as required by legislation.

Balgowan (Gills) Water Augmentation

Contribution from land division (as condition of approval) to assist future water supply infrastructure installation/upgrade

Black Point Water Supply

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Combined Effluent Reserve

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the various schemes in the future as per motion of Council at 12th June 2007 meeting.

Hardwicke Bay Effluent Augmentation

Contribution from land division (as condition of approval) to assist future effluent infrastructure installation/upgrade.

Hardwicke Bay Water

Surplus funds from service charges levied are appropriated to assist with the maintenance and capital replacement of the scheme in the future.

Hardwicke Bay Water Augmentation

Contribution from land division (as condition of approval) to assist future water infrastructure installation/upgrade.

Open Space and Recreation

Contribution of open space monies from land division (as condition of approval). Allocation is budgeted for expenditure in the following year.

Port Souttar Effluent Augmentation

Contribution (as condition of approval) to assist future effluent infrastructure installation/upgrade.

Port Victoria Water Augmentation

Contribution from land division (as condition of approval) to assist future water supply infrastructure installation/upgrade.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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.

	2013	2012
	\$	\$
CASH & FINANCIAL ASSETS		
Developer Contributions	18,373	75,422
CWMS Water Schemes	-	149,475
	<u>18,373</u>	<u>224,897</u>
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Refer to below list	14,337,429	14,690,675
	<u>14,337,429</u>	<u>14,690,675</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	<u>14,355,802</u>	<u>14,915,572</u>

Due to the nature of Local Government there are restrictions over many of the assets controlled by Council. These restrictions are either by community use of the asset or externally imposed legislation.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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	2013 \$	2012 \$
Total cash & equivalent assets	5	<u>2,961,412</u>	<u>4,217,134</u>
Balances per Cash Flow Statement		<u>2,961,412</u>	<u>4,217,134</u>

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

Net Surplus (Deficit)		(2,685,560)	(2,160,098)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		8,826,936	9,333,032
Net increase (decrease) in unpaid employee benefits		37,477	12,073
Change in allowances for under-recovery		-	(5,476)
Non-cash asset acquisitions		(13,700)	(609,433)
Grants for capital acquisitions treated as Investing Activity		(593,853)	(690,042)
Net (Gain) Loss on Disposals		<u>(28,790)</u>	<u>158,233</u>
		5,542,510	6,038,289
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(167,482)	253,332
Net (increase) decrease in inventories		(58,553)	(545,255)
Net increase (decrease) in trade & other payables		(400,067)	134,250
Net increase (decrease) in other provisions		<u>(44,752)</u>	<u>-</u>
Net Cash provided by (or used in) operations		<u>4,871,656</u>	<u>5,880,616</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	<u>13,700</u>	<u>609,433</u>
<i>Amounts recognised in Income Statement</i>		13,700	609,433
- Estimated future reinstatement etc. costs			-
		<u>13,700</u>	<u>609,433</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	30,000	30,000
LGFA Cash Advance Debenture facility	3,000,000	3,000,000

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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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				
2013	2012	\$	2013	2012	2013	2012	\$	\$	2013	2012
\$			\$	\$	\$	\$			\$	\$
2,415,674	2,312,136		3,268,409	3,376,317	(852,735)	(1,064,181)		439,274	23,815,417	24,353,429
676,167	535,165		1,607,029	1,507,442	(930,862)	(972,277)		83,810	4,460,235	4,551,690
345,028	200,823		1,817,328	1,620,731	(1,472,300)	(1,419,908)		323,150	12,612,632	13,232,658
1,348,332	1,331,626		1,166,280	1,104,995	182,052	226,631		-	12,173,610	12,191,398
836,348	1,158,423		1,358,396	1,522,655	(522,048)	(364,232)		154,052	10,940,944	10,721,289
103,101	281,678		1,510,292	1,682,828	(1,407,191)	(1,401,150)		-	48,362,628	48,608,140
286,721	278,052		302,714	389,303	(15,993)	(111,251)		-	-	-
28,070	73,824		176,305	278,435	(148,235)	(204,611)		-	3,093	3,608
1,181,332	1,418,135		7,999,285	8,032,238	(6,817,953)	(6,614,103)		1,334,691	151,148,340	129,376,477
2,081,789	1,933,645		2,311,206	2,257,940	(229,417)	(324,295)		-	1,351,233	866,000
267,759	225,461		320,806	256,147	(53,047)	(30,686)		-	1,981,740	2,021,991
14,529,790	14,161,426		5,583,964	5,182,703	8,945,826	8,978,723		1,797,514	14,660,755	15,181,088
TOTALS	23,910,394		27,422,014	27,211,734	(3,321,903)	(3,301,340)		3,396,569	281,510,627	261,107,768

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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Electricity Supply, Gravel Pits/Quarries, Development of Land for Resale, Marinas/Boat Havens, Markets/Saleyards, Off-street Car Parks – fee paying, Private Works, Property Portfolio, Town Bus Service, and Other.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

Community Wastewater Management

Community Wastewater Management Schemes

Economic Development

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

Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation.

Regulatory Services

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

Transport & Communication

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

Waste management

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management.

Water supply

Water Supply – Domestic

Council Administration

Governance, Administration NEC, Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 3.35% and 4.2% (2012: 3.5% and 4.6%). Short term deposits have an average maturity of 0 days and an average interest rate of 3.15% (2012: 0 days, 3.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including 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. 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>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable principle and interest; interest is charged at fixed rates between 5.7% and 8.25% (2012: 5.85 and 8.3%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

DISTRICT COUNCIL OF YORKE PENINSULA

for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS (continued)

Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	2,961,412			2,961,412	2,961,412
Receivables	509,760	-	-	509,760	509,760
Other Financial Assets	-	296,471	338,078	634,549	467,065
Total	3,471,172	296,471	338,078	4,105,721	3,938,237
Financial Liabilities					
Payables	810,061	-	-	810,061	810,061
Current Borrowings	937,814	-	-	937,814	747,962
Non-Current Borrowings		1,683,933	1,175,200	2,859,133	2,236,732
Total	1,747,875	1,683,933	1,175,200	4,607,008	3,794,755

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	4,217,134			4,217,134	4,217,134
Receivables	388,716	-	-	388,716	353,530
Other Financial Assets	-	303,684	354,989	658,673	343,710
Total	4,605,850	303,684	354,989	5,264,523	4,914,374
Financial Liabilities					
Payables	1,277,565	-	-	1,277,565	1,236,506
Current Borrowings	1,160,910	-	-	1,160,910	962,858
Non-Current Borrowings	-	2,311,562	1,271,065	3,582,627	2,381,761
Total	2,438,475	2,311,562	1,271,065	6,021,102	4,581,125

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

	30 June 2013		30 June 2012	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	6.78	2,984,694	6.78	3,344,619
		<u>2,984,694</u>		<u>3,344,619</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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 14 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2013 \$	2012 \$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		157,688	116,250
		<u>157,688</u>	<u>116,250</u>
These expenditures are payable:			
Not later than one year		50,020	45,000
Later than one year and not later than 5 years		107,668	71,250
		<u>157,688</u>	<u>116,250</u>
Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		73,800	12,540
Waste Management Services		6,812,723	8,757,386
Employee Remuneration Contracts		1,661,249	1,600,782
Other		-	17,500
		<u>8,547,772</u>	<u>10,388,208</u>
These expenditures are payable:			
Not later than one year		2,401,878	2,518,896
Later than one year and not later than 5 years		6,145,894	7,869,312
		<u>8,547,772</u>	<u>10,388,208</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 - FINANCIAL INDICATORS

	2013	2012	2011
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	(21%)	(23%)	(32%)
Rates - general & other less NRM levy			

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

Adjusted Operating Surplus Ratio

	(21%)	(27%)	(32%)
--	-------	-------	-------

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>	6%	7%	7%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	40%	27%	20%
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.

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of Infrastructure & Asset Management Plans for all categories of assets.*

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2013 \$	2012 \$
Income	24,100,111	23,910,394
less Expenses	<u>27,422,014</u>	<u>27,211,734</u>
Operating Surplus / (Deficit)	(3,321,903)	(3,301,340)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,725,064	2,901,762
less Depreciation, Amortisation and Impairment	8,826,936	9,333,032
less Proceeds from Sale of Replaced Assets	<u>162,432</u>	<u>409,443</u>
	(5,264,304)	(6,840,713)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	2,264,750	3,646,612
less Amounts received specifically for New and Upgraded Assets	593,853	690,042
	<u>1,670,897</u>	<u>2,956,570</u>
Net Lending / (Borrowing) for Financial Year	<u>271,504</u>	<u>582,803</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Investment Property

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

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

	2013	2012
	\$	\$
Not later than one year	329,539	281,913
Later than one year and not later than 5 years	193,069	191,734
Later than 5 years	16,073	15,666
	<u>538,681</u>	<u>489,313</u>

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2013	2012
	\$	\$
Not later than one year	102,971	87,325
Later than one year and not later than 5 years	190,869	222,507
	<u>293,840</u>	<u>309,832</u>

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 18 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/13; 9.3% in 2011/12). 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 Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2011/12) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in 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 Fund's assets and liabilities are pooled and are not allocated by each employer, 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 Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

DISTRICT COUNCIL OF YORKE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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.

1. LAND UNDER ROADS

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

At reporting date, Council controlled 2,485 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 5 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commenced operation. Council has a number of garbage landfill facilities which emit, and will continue to emit gases of this type.

Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not become liable to the tax. The Council has assessed that as at 30 June 2013, there is no liability to be recorded for this tax as the Council remains under the emissions threshold however in future years there may be a liability for this tax should emissions exceed the current emissions threshold.

The Council will continue to monitor its emissions in future years to assess whether it becomes liable for this tax.

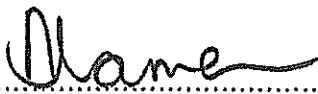
DISTRICT COUNCIL OF YORKE PENINSULA


ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Yorke Peninsula for the year ended 30 June 2013, the Council's Auditor, Dean Newbery and 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*.


.....
Andrew Cameron
CHIEF EXECUTIVE OFFICER


.....
Peter Brass
PRESIDING MEMBER
AUDIT COMMITTEE

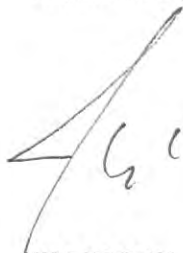
Date:

5/11/13

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the District Council of Yorke Peninsula for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 14th day of November 2013



Central

Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

Annual Report for 2012 – 2013

A regional subsidiary of:

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

Contact Details

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CRYSTAL BROOK SA 5523

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www.centralregion.sa.gov.au

The Central Local Government Region of South Australia

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

The Central Region is established to:

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

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

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

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

Office Bearers for 2012/13

Chairman: Mayor James Maitland (Wakefield)

Deputy Chairs: Mayor Ray Agnew (Yorke Peninsula)
Mayor Allan Aughey (Clare & Gilbert Valleys)

Executive Members: Mayor Peter Matthey (Goyder)
Mayor Ruth Whittle (Peterborough)

Delegate to the LGA State Executive: Mayor James Maitland (Wakefield)
Mayor Allan Aughey (Clare & Gilbert Valleys)
Mayor Ray Agnew (Yorke Peninsula) – proxy (to April 2013)
Mayor Denis Clark (Northern Areas) – proxy (from April 2013)

Executive Officer: Anita Crisp

Auditor: Ian G. McDonald

Central Local Government Region Board of Management

The Central Local Government Region Board of Management comprises an elected delegate appointed from each of the 15 member councils. A proxy delegate is also appointed, with policy provisions allowing for representation by other elected or endorsed members.

Following the November 2010 Local Government elections, constituent Councils of the Central Local Government Region appointed the following Council delegates to the CLGR Board of Management for a term to expire at the 2014 Local Government elections, subject to the provisions within the Charter or amendment by a constituent Council:

Council	Delegate	Proxy Delegate
The Barossa Council	Mayor Brian Hurn	D/Mayor David DeVries
District Council of Barunga West	Mayor Dean Dolling	Cr Brian Rooney
District Council of the Copper Coast	Mayor Paul Thomas	D/Mayor Dean Rodda
Clare & Gilbert Valleys Council	Mayor Allan Aughey	Cr Elizabeth Calvert
Flinders Ranges Council	Mayor Peter Slattery	D/Mayor John Shute
Regional Council of Goyder	Mayor Peter Matthey	D/Mayor Judy Partington (until 11/12) D/Mayor Jane Kellock (from 11/12)
Light Regional Council	D/Mayor Dean Rohrlach	nil
District Council of Mallala	Mayor Marcus Strudwicke (until 11/12) Mayor Duncan Kennington (from 11/12)	nil
District Council of Mount Remarkable	Mayor Sandra Wauchope	D/Mayor Ray Walker (until 11/12) D/Mayor Peter Jacobs (from 11/12)
Northern Areas Council	Chair Ben Browne (until 11/12) Mayor Denis Clark (from 11/12)	D/Chair Denis Clark (until 11/12)
District Council of Orreroo Carrieton	Chair Colin Parkyn	D/Chair Malcolm Byerlee
District Council of Peterborough	Mayor Ruth Whittle	Cr Frank Hardbottle
Port Pirie Regional Council	Cr Neville Wilson	D/Mayor John Rhode
Wakefield Regional Council	Mayor James Maitland	D/Mayor Darryl Ottens
District Council of Yorke Peninsula	Mayor Ray Agnew	Cr John Rich

Meetings of the Central Region Board of Management

Four meetings of the Central Local Government Region Board of Management were held during the 2012/13, each hosted by one of the member Councils.

The meeting host and location is rotated throughout the region on alphabetical order.

Meetings were held:

- ✧ Annual General Meeting, Friday 10th August 2012 (hosted by Barossa)

- ✧ General Meeting, Friday 9th November 2012 (hosted by Barunga West)

- ✧ General Meeting, Friday 8th February 2013 (hosted by Clare & Gilbert Valleys)

- ✧ General Meeting, Friday 10th May 2013 (hosted by Copper Coast)

Committee Meetings

In accordance with its Charter, the Central Local Government Region maintains several sub committees to assist in effective project implementation and governance. The committees generally meet on an as-needs basis and comprise representatives from the various member councils along with, in many cases additional delegates from other relevant regional bodies or state government agencies:

Committee	Members	Meeting Dates
Executive Committee:	Mayor James Maitland, Mayor Ray Agnew, Mayor Allan Aughey, Mayor Ruth Whittle, Mayor Peter Matthey	3 September 2012 17 September 2012 8 January 2013 24 January 2013 1 May 2013
Audit Committee:	Mayor Ray Agnew (Chair), Cr Kathie Bowman, Dr Andrew Johnson, Mr Colin Davies	Nil
Member Councils CEO's Forums:	Mr Martin McCarthy (Barossa), Mr Peter Ward (A/CEO, Barunga West), Mr Roy Blight (Clare & Gilbert Valleys), Mr Peter Harder (Copper Coast), Mr Colin Davies (Flinders Ranges), Mr John Brak (Goyder), Mr Brian Carr (Light), Mr Charles Mansueto (Mallala), Mr Sean Cheriton (to 12/12), Mr Wayne Hart (from 01/13) (Mt Remarkable), Mr Roger Crowley (Northern Areas), Mr Iian Wilson (Orroroo/Carrieton), Mr Peter McGuinness (Peterborough), Dr Andrew Johnson (Pirie Regional), Ms Cate Atkinson (Wakefield), Mr Andrew Cameron (Yorke Peninsula)	13 July 2012 12 October 2012 14 December 2012
Transport Infrastructure Planning Committee:	Mr Iian Wilson - Chair (Orroroo Carrieton), Mr Colin Davies (Flinders Ranges), Mr Peter Broughill (Northern Areas), Mr Steve Kaesler (Barossa), Mr Fred Linke (Barunga West), Mr Brenton Pearce (Mt Remarkable), Ms Joanne Buchanan (Regional Development), Mr Bob Bemmerl (DTEI)	18 October 2012 5 March 2013 16 April 2013
Regional Climate Change Steering Committee:	Ms Anita Crisp (CLGR Executive Officer), Ms Kelly-Anne Saffin (RDA Y&MN), Mr Jarrod White (N&Y NRM Board)	4 February 2013 29 April 2013 3 June 2013
Coastal Councils Network:	Mr Warrick Barnes (Mallala), Ms Lynda Painter (Wakefield), Mr Stephen Goldsworthy (Yorke Peninsula), Mr Andy West (Copper Coast), Ms Deb Brokenshire (Barunga West), Mr Patrick Clifton (Port Pirie), Muriel Scholz (Mt Remarkable). Ms Deborah Allen (Coastcare Facilitator) – ex officio	16 August 2012 13 December 2012 19 February 2013
Regional Waste Management Committee:	Mayor Ruth Whittle (Chair), Ms Cate Atkinson (Wakefield), Cr Ken Anderson (Flinders Ranges), Ms Paula Duncan-Tiver (Northern Areas), Mr Roger Crowley (Northern Areas). Ms Vanessa Loechel (Waste Coordinator) – ex officio	22 October 2012 28 February 2013 20 May 2013
Water Project Steering Committee:	Mr Iian Wilson (Orroroo Carrieton), Cr Denis Clarke (Northern Areas), Mr Ian Baldwin. Ms Kelly-Anne Saffin (RDAY&MN), Ms Jennifer Munro (Northern & Yorke NRM), Ms Kris Swaffer (DFW), Mr Paul Doherty (SA Water)	Nil
Windfarm Project Steering Committee:	Mayor Allan Aughey (C&GV), Cr Paul Kretschmer (Mt Remarkable), Gabby Swearse/Alan Thomson (NAC), Mr John Brak (Goyder). Kelly-Anne Saffin (RDA), Mr Jarrod White. Mr Trevor White (Windfarm Liaison Officer) – ex officio	25 July 2012 24 October 2012 20 March 2013

Regional Forums and Workshops

In order to progress specific priorities and actions, the Central Local Government Region occasionally holds information forums or workshops to allow member councils and other relevant stakeholders to come together and discuss or learn about particular initiatives.

The forums and workshops provide an opportunity for greater awareness, understanding and engagement with various Central Local Government Region activities and increases the level of active involvement by stakeholders. The following issue-specific forums were held during the 2012/13 financial year.

20 August 2012 18 March 2013	ESCOSA Workshop, Balaklava and Crystal Brook
17 April 2013	Combined Central and Eyre Peninsula 'Making Regions Matter' Election Strategy Forum, Adelaide
19 July 2012	Waste Managers Sub-Regional Update Forums
15 November 2012	Waste Management Regional Forum and Special Local Roads Briefing, Clare
22 March 2013	Regional Planning Review Forum, Wallaroo– hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Yorke and Mid North

Achievements for 2012/13

During the 2012/13 year, the Central Region continued to progress a number of priority activities, pursued under the three key target areas identified within the strategic and business plan:

1. Board Governance and Operations

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

Achievements for 2012/13

- ✧ CLGR Board meeting agendas & minutes distributed in accordance with policy
- ✧ Committee operations executed within terms of reference
- ✧ Executive support review completed
- ✧ Audit Committee Ministerial exemption

2. Local Government Leadership and Sustainability

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

Achievements for 2012/13

- ✧ Allocation of \$320,000 CLGR reserve funds towards Council collaborations and shared services
- ✧ Funding for LGA Outreach Officer – additional research and project support for Councils
- ✧ Hosted combined Central and Eyre Peninsula Region election strategy forum
- ✧ Hosted attendance by Local Government Minister to quarterly meetings of Central Region
- ✧ Submission to the Local Government Excellence Expert Panel
- ✧ Attendance by Local Government Association (LGA) and Department of Planning and Local Government (DPLG) at Central Region quarterly meetings
- ✧ Communications with LGA and Office of Local Government staff as required
- ✧ Workshop with LGA and Local Government Risk Services regarding program rollout
- ✧ Convened Council Chief Executive Officer forums
- ✧ Coordination of Central Zone appointments to LGA State Executive Committee
- ✧ Regional representation at SA Regional Organisation of Councils (SAROC) and LGA State Executive meetings
- ✧ Attendance at Local Government Association SA general meetings and forums in Adelaide
- ✧ Attendance at Australian Local Government Association assembly in Canberra
- ✧ Communication with SAROC Executive Officers on key issues as required
- ✧ Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate
- ✧ Member of Parliament briefings as required
- ✧ Monthly newsletter prepared and distributed
- ✧ Regular ABC local radio and newspaper media coverage of Central Region projects and events
- ✧ Central Region website updated

3. Regional and Community Sustainability

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

Achievements for 2012/13

Regional Identity, Planning & Cohesion

- ✧ Convened Regional Strategic Alliance meetings with Northern & Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDA)
- ✧ Hosted Yorke/Mid North Annual Planning Review Forum in Wallaroo with NRM and RDA
- ✧ Secured funding and officer support for annual planning forums from State Government
- ✧ Convened workshop with Dept Planning on update of the Mid North and Yorke Peninsula Planning Strategy
- ✧ Submission to State Government's Draft Regional Statement
- ✧ Submission and presentation to Parliamentary Select Committee on Sustainable Farming Practices
- ✧ Participation in Upper Spencer Gulf Working Group
- ✧ Convened update briefings of RDA and NRM to Central Region meetings
- ✧ Convened Regional Government Coordination Network
- ✧ Continued Central Region office co-location with Regional Department of Transport, Crystal Brook

Waste Management

- ✧ Funding of \$120,000 secured from ZWSA to engage Regional Waste Coordinator for 2 years
- ✧ Regional waste management committee operational
- ✧ Convened regional waste management forum
- ✧ Supported investigation into future options for Everard regional landfill site
- ✧ Ongoing liaison with national e-waste recycling program, ZWSA, LGA and Councils regarding regional e-waste collection
- ✧ Liaison with EPA regarding Illegal Dumping unit
- ✧ Support to Councils regarding waste management issues – green and hazardous waste, tyres

Transport

- ✧ Convened Central Region Transport Committee, including participation by DTEI and RDA
- ✧ Assessment, inspection and regional submission to Special Local Roads program
- ✧ Commitment towards development of Regional Transport Strategy with Regional Development Australia
- ✧ Collate projects for consideration under federal 'Heavy Vehicle Safety and Productivity Program'
- ✧ Coordinated working group input to review of Local Government Disaster Fund arrangements
- ✧ Completed flood remediation research and development project
- ✧ Guest presenter at Local Government Roads Conference, Victor Harbor

Environment and Natural Resources

- ✧ Convened meetings of Regional Coastal Councils Network
- ✧ Ongoing delivery of Regional Coastcare in partnership with Australian Government
- ✧ Local Government representative attendance at Regional NRM Board meetings
- ✧ Participation in NRM Conservation Action Planning, Biodiversity fund and statewide NRM Integration workshops
- ✧ Briefing to Environment Minister, Paul Caica on topical issues
- ✧ Participation in regional Native Vegetation Council forum
- ✧ Attended Commonwealth Government 'Regional Sustainability Planning' workshop

Water Resources

- ✧ Continued funding of Technical Officer (Water) for access by Central Region Councils
- ✧ Support for development of business cases and funding submissions for water projects
- ✧ Report to SAROC and through LG Turf and Irrigation Working Group on water charges for

- sporting and
- ♣ community groups
- ♣ Convened regional briefings by Essential Services Commission on regulation of council CWMS schemes
- ♣ Submission to ESCOSA highlighting the resourcing implications for rural Councils in reporting requirements under the Water Industry Act

Climate Change and Emergency Management

- ♣ Funding for regional climate change coordinator to work across local govt, regional development & NRM
- ♣ Presentation of Regional Climate Change report to various regional, state and national forums
- ♣ Funding secured for concept and feasibility for regional sustainability centre
- ♣ University partnership for development of a regional 'low carbon' investment strategy
- ♣ Liaison with Government for high resolution Digital Elevation Modelling for the region's coastline
- ♣ Participation on LGA Climate Change Steering Committee
- ♣ Regional submission to the Local Government Disaster Fund review
- ♣ Coordinated LG representation to Yorke/Mid North Zone Emergency Management committees (ZEMC)
- ♣ Convened Central Region Council delegation to meet with Hon Paul Holloway – Review of Fire and Emergency Services Act
- ♣ Attendance at statewide Climate Change Sector Agreement forum in Adelaide

Windfarm Development

- ♣ Regional Windfarm Liaison Officer funding through State Government
- ♣ Regional windfarm project steering committee active, including Councils, NRM and RDA
- ♣ Draft Council notice of motion to the Australian LGA seeking consistent national approach to windfarm planning
- ♣ Workshop session convened by Regional Development Australia with Councils, NRM board, Clean Energy Council and wind industry developers and operators
- ♣ Meeting with South Australian Premier, Jay Weatherill, Environment Minister Paul Caica and EPA Chief Executive Dr Campbell Gemmell regarding windfarm planning and compliance
- ♣ Ongoing liaison with University of Adelaide wind turbine noise research in the Central Region
- ♣ Funding through LGA Research and Development fund for preparation of local government planning guidelines for windfarm development
- ♣ Submission to SA Parliamentary Inquiry into windfarms

Community Wellbeing, Health and Prosperity

- ♣ Liaison with NBN Co and RDA regarding broadband rollout and regional gaps and opportunities for network extensions
- ♣ Convened meetings and engagement of legal support for Ngadjuri #2 Native Title Claim Councils
- ♣ Submission to Parliamentary Inquiry into the Native Title Amendment bill and meeting with Attorney General
- ♣ Participation on LGA Sport and Recreation Committee
- ♣ Regional briefing to EPA board on topical issues – waste to resources policy, illegal dumping, windfarm noise compliance, environmental nuisance bill
- ♣ Mid North University Knowledge Partnerships Steering Committee
- ♣ Support and participation in 'Dream Australia' television series
- ♣ Supported Flinders Councils with Corrella Showcase at LGA Conference
- ♣ Convened presentations by Ombudsman and Country Arts SA to Central Region meetings

Audited Financial Statements 2012/13

14 September 2013

Mayor J Maitland
President
Central Local Government Region of SA Inc.
PO Box 94
MELROSE SA 5483

Dear Mayor Maitland

Please be advised that I have now completed the external financial audit of the Region for the financial year ended 30 June 2013.

The audit opinion has been signed without qualification.

1. Report on Matters Arising from the Audit

There is no matter that requires a report to the Minister.

I am satisfied with the action taken in relation to my audit communication during the year.

The Auditor's Independence Declaration has been provided.

2. Adequacy of the Internal Control Environment

In my opinion the Subsidiary's internal control environment is adequate.

A review of the internal control framework documentation should be undertaken annually.

Please do not hesitate to contact me on 0419620906 if further information is required.

Yours sincerely



Ian Mc Donald

Cc: Griff Campbell

Central Local Government Region of SA Inc

General Purpose Financial Reports for the year ended 30 June 2013

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Central Local Government Region of SA Inc
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Grants, subsidies and Council contributions	2	636,060	796,980
Investment income	2	17,433	22,516
Other income	2	159,758	161,863
Total Income		<u>813,251</u>	<u>981,359</u>
EXPENSES			
Employee costs	3	57,201	-
Materials, contracts & other expenses	3	749,118	920,340
Depreciation, amortisation & impairment	3	6,160	6,529
Total Expenses		<u>812,479</u>	<u>926,869</u>
OPERATING SURPLUS / (DEFICIT)		772	54,490
Asset disposal & fair value adjustments	4	<u>(7,140)</u>	-
NET SURPLUS / (DEFICIT)		<u>(6,368)</u>	54,490
transferred to Equity Statement			
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>(6,368)</u>	<u>54,490</u>

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

Central Local Government Region of SA Inc

BALANCE SHEET
as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	601,152	586,594
Trade & other receivables	5	55,249	86,077
Total Current Assets		656,401	672,671
Non-current Assets			
Infrastructure, property, plant & equipment	7	34,008	21,530
Total Non-current Assets		34,008	21,530
Total Assets		690,409	694,201
LIABILITIES			
Current Liabilities			
Trade & other payables	8	54,838	58,041
Provisions	8	5,668	-
Total Current Liabilities		60,506	58,041
Non-current Liabilities			
Provisions	8	111	-
Total Non-current Liabilities		111	-
Total Liabilities		60,617	58,041
NET ASSETS		629,792	636,160
EQUITY			
Accumulated Surplus		3,486	303,660
Other Reserves	9	626,306	332,500
TOTAL EQUITY		629,792	636,160

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

Central Local Government Region of SA Inc

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2013	Notes	\$	\$	\$
Balance at end of previous reporting period		303,660	332,500	636,160
Restated opening balance		303,660	332,500	636,160
Net Surplus / (Deficit) for Year		(6,368)		(6,368)
Transfers between reserves		(293,806)	293,806	-
Balance at end of period		3,486	626,306	629,792

2012				
Balance at end of previous reporting period		249,170	332,500	581,670
Restated opening balance		249,170	332,500	581,670
Net Surplus / (Deficit) for Year		54,490		54,490
Transfers between reserves		-	-	-
Balance at end of period		303,660	332,500	636,160

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

Central Local Government Region of SA Inc

CASH FLOW STATEMENT for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		17,865	24,457
Grants & Council Contributions		654,641	939,375
Other revenues		250,124	133,453
<u>Payments</u>			
Employee costs		(45,039)	-
Materials, contracts & other expenses		(837,255)	(1,055,053)
Net Cash provided by (or used in) Operating Activities		40,336	42,232
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		10,909	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(36,687)	-
Net Cash provided by (or used in) Investing Activities		(25,778)	-
 Net Increase (Decrease) in cash held		14,558	42,232
 Cash & cash equivalents at beginning of period	11	<u>586,594</u>	<u>544,362</u>
Cash & cash equivalents at end of period	11	<u>601,152</u>	<u>586,594</u>

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

Central Local Government Region of SA Inc
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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 Accounting

This general purpose financial report has been prepared in accordance with Australian equivalents To International Financial Reporting Standards (AIFRS) 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 the Region by certificate under Regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 9th August 2013

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

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

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

The Constituent Councils are:

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

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

1.3 Income recognition

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

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

1.4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables 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.

1.5 Infrastructure, Property, Plant & Equipment

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

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

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

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value.

All plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Region, best reflects the consumption of the service potential embodied in those assets.

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

1.6 Payables

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

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

2 Employee Benefits

2.1 Salaries, Wages & Compensated Absences

Liabilities for employee entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) 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 on costs) to be made in respect of services provided by its employee up to the reporting date.

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

2.2 Superannuation

The Region makes employer superannuation contributions in respect of its employee to the Statewide Superannuation Scheme.

3 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.

4 Pending Accounting Standards

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interests in Other Entities
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures
AASB 132	Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

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

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

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	Notes	2013 \$	2012 \$
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		17,041	21,431
Banks & other		392	1,085
		<u>17,433</u>	<u>22,516</u>
OTHER INCOME			
Council Contributions		145,245	142,395
Roads Project		0	5,148
Motor Vehicle Contribution		5,400	10,000
Sundry		9,113	4,320
		<u>159,758</u>	<u>161,863</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		636,060	796,980
		<u>636,060</u>	<u>796,980</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		402,636	352,000
State government		135,000	334,000
Other		98,424	110,980
		<u>636,060</u>	<u>796,980</u>

Conditions over grants & contributions

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

Unexpended at the close of the previous reporting period	221,816	225,809
Less: expended during the current period from revenues recognised in previous reporting periods		
P002-Flood Remediation	(9,910)	
P008-Coastal Councils Project		(126,473)
P009-Climate Change		(74,202)
P010-Windfarm Liaison	(28,462)	
P014-Water Project		(25,134)
Subtotal	<u>(38,372)</u>	<u>(225,809)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
P002-Flood Remediation		9,910
P003-Waste Management	7,890	5,584
P007-LGA R&D Projects	3,493	
P008-Coastal Councils Project	13,923	55,104
P009-Climate Change	34,229	75,153
P010-Wind Farm Liaison		76,065
P014-Water Project	21,439	
P022-Roads & Transport	21,458	
Subtotal	<u>102,432</u>	<u>221,816</u>
Unexpended at the close of this reporting period	<u>285,876</u>	<u>221,816</u>
Net increase (decrease) in assets subject to conditions in the current reporting period	<u>64,060</u>	<u>(3,993)</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 \$	2012 \$
EMPLOYEE COSTS			
Salaries and Wages		44,653	-
Employee leave expense		5,779	-
Superannuation - defined contribution plan contributions	18	4,019	-
Other : Career Development		2,750	-
Total Operating Employee Costs		<u>57,201</u>	<u>-</u>
Total Number of Employees		1	-
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		1,500	1,500
Other Audit/Accounting Fees		300	220
Subtotal - Prescribed Expenses		<u>1,800</u>	<u>1,720</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors & Consultants		513,514	769,677
Energy & Fuel		4,502	3,801
Donations - Plants		10,000	11,865
Grants		175,040	87,545
Members Allowances & Support		3,979	5,923
Meetings & Conferences		4,244	2,929
Insurance		7,346	6,920
Professional legal services		1,800	-
Sundry		26,893	29,960
Subtotal - Other Materials, Contracts & Expenses		<u>747,318</u>	<u>918,620</u>
		<u>749,118</u>	<u>920,340</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Motor Vehicle		6,388	6,529
Software		772	-
		<u>6,160</u>	<u>6,529</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2013	2012
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	10,909	-
Less: Carrying amount of assets sold	<u>18,049</u>	<u>-</u>
Gain (Loss) on disposal	<u>(7,140)</u>	<u>-</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(7,140)</u>	 <u>-</u>

Note 5 - CURRENT ASSETS

	2013	2012
Notes	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	2,653	130,568
Deposits at Call	<u>598,499</u>	<u>456,026</u>
	<u>601,152</u>	<u>586,594</u>
 TRADE & OTHER RECEIVABLES		
Accrued Revenues	45,947	6,715
Debtors - general	<u>9,302</u>	<u>79,362</u>
	<u>55,249</u>	<u>86,077</u>

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

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Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

	2012 \$				2013 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Motor Vehicle	-	28,059	(6,529)	21,530	-	35,915	(1,907)	34,008
Software	-	-	-	-	-	772	(772)	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	28,059	(6,529)	21,530	-	36,687	(2,679)	34,008
<i>Comparatives</i>		28,059		28,059	-	28,059	(6,529)	21,530

	2012	CARRYING AMOUNT MOVEMENTS DURING YEAR							2013
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Note 7B - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Motor Vehicle	21,530	35,915	-	(18,049)	(5,388)	-	-	-	34,008
Software	-	772	-	-	(772)	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	21,530	36,687	-	(18,049)	(6,160)	-	-	-	34,008
Comparatives	28,059				(6,529)				21,530

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 8 - LIABILITIES

	Notes	2013		2012	
		\$		\$	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		48,455		58,041	
Accrued expenses - employee entitlements		6,383			
		<u>54,838</u>	<u>-</u>	<u>58,041</u>	<u>-</u>

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

-

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PROVISIONS

Employee entitlements (including oncosts)		5,668	111		
		<u>5,668</u>	<u>111</u>	<u>-</u>	<u>-</u>

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

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Central Local Government Region of SA Inc
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 9 - RESERVES

OTHER RESERVES	1/7/2012	Transfers to Reserve	Transfers from Reserve	30/6/2013
General Reserve	12,500	-	-	12,500
P003-Waste Management	-	13,474	-	13,474
P007-LGA Research & Development	-	3,493	-	3,493
P008-Coastal Councils	-	69,027	-	69,027
P009-Climate Change	-	109,382	-	109,382
P010-Wind Farm Liaison	-	47,603	-	47,603
P011-Regional Broadband	-	2,940	-	2,940
P013-Environment & Roadside Vegetation	-	4,990	-	4,990
P014-Regional Water Supply	-	21,439	-	21,439
P015-Local Government Reform	320,000	-	-	320,000
P022-Roads & Transport	-	21,458	-	21,458
TOTAL OTHER RESERVES	332,500	293,806	-	626,306
<i>Comparatives</i>	<i>332,500</i>	<i>-</i>	<i>-</i>	<i>332,500</i>

PURPOSES OF RESERVES

- 1 **P003-Waste Management**
State Government funded technical support programme - completion 2013/14
- 2 **P007-LGA Research & Development**
LGA funded support programme - expiry 2013/14
- 3 **P008-Coastal Councils**
Federal Government funded "Caring for our Country" programme - completion 2013/14
- 4 **P009-Climate Change**
Regional Partners and State Government funded programme - Project managed by Yorke and Mid North Alliance and includes engagement of technical support and seed distribution - completion 2013/14
- 5 **P010-Wind Farm Liaison**
LGA funded programme - windfarm planning guide - completion 2013/14
- 6 **P011-Regional Broadband**
Federal Government funded - project management - completion 2013/14
- 7 **P013-Environment & Roadside Vegetation**
Federal Government funded - project management - completion 2013/14
- 8 **P014-Regional Water Supply**
State Government funded - water project technical support - completion 2013/14
- 9 **P015-Local Government Reform**
CLGR funded programme - Council Shared Services
- 10 **P022-Roads & Transport**
CLGR funded programme - Regional Development Australia Freight Strategy - anticipated 2014

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

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	2013 \$	2012 \$
Total cash & equivalent assets	5	<u>601,152</u>	<u>586,594</u>
Balances per Cash Flow Statement		<u>601,152</u>	<u>586,594</u>

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

Net Surplus (Deficit)	(6,368)	54,490
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,160	6,529
Net increase (decrease) in unpaid employee benefits	12,162	-
Net (Gain) Loss on Disposals	<u>7,140</u>	<u>-</u>
	19,094	61,019
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	30,828	(47,877)
Net increase (decrease) in trade & other payables	<u>(9,586)</u>	<u>29,089</u>
Net Cash provided by (or used in) operations	<u>40,336</u>	<u>42,231</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:
Corporate Credit Cards 2,000

Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 P002-Flood Damage Remediation
- 2 P003-Regional Waste Management
- 3 P007-LGA Research & Development
- 4 P008-Coastal Councils Coastcare
- 5 P009-Climate Change Co-ordinator
- 6 P010-Wind Farm Liaison
- 7 P011-Regional Broadband
- 8 P013-Environment & Roadside Vegetation
- 9 P014-Regional Water Supply
- 10 P015-Local Government Reform
- 11 P022-Roads & Transport

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank Deposits at Call, Short Term	Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.
Deposits	Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and has an interest rate of 2.75% as at 30 June 2013. Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Fees & other charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. Terms & conditions: Unsecured, and do not bear interest. Although the Region is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Region's boundaries. Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - other levels of government	Accounting Policy: Carried at nominal values. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. Carrying amount: approximates fair value.
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	601,152			601,152	601,152
Receivables	55,249			55,249	55,249
Total	656,401	-	-	656,401	656,401
Financial Liabilities					
Payables	48,465			48,465	48,465
Total	48,465	-	-	48,465	48,465
2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	586,594			586,594	586,594
Receivables	86,077			86,077	86,077
Total	672,671	-	-	672,671	672,671
Financial Liabilities					
Payables	58,041			58,041	58,041
Total	58,041	-	-	58,041	58,041

Net Fair Value

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

Risk Exposures

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

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

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

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 - FINANCIAL INDICATORS

	2013	2012	2011
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

Operating Surplus

	0%	0%	0%
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Rates - general & other less NRM levy

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy, nil value as the Region does not levy rates.

Net Financial Liabilities Ratio

Net Financial Liabilities

	-73%	-63%	-74%
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Total Operating Revenue less NRM levy

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

Asset Sustainability Ratio

Net Asset Renewals

	418%	0%	430%
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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.

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2013 \$	2012 \$
Income	813,251	981,359
less Expenses	<u>812,479</u>	<u>926,869</u>
Operating Surplus / (Deficit)	772	54,490
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	36,687	-
less Depreciation, Amortisation and Impairment	6,160	6,529
less Proceeds from Sale of Replaced Assets	<u>10,909</u>	<u>-</u>
	19,618	(6,529)
less Net Outlays on New and Upgraded Assets	<u>-</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>(18,846)</u>	<u>61,019</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 18 – SUPERANNUATION

The Region makes employer superannuation contributions in respect of its employee 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 Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/13; 9% in 2011/12). No further liability accrues to the Region 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. The Region does not make employer contributions to Salarylink.

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Region does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. 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 the Region's contribution rates at some future time.

Central Local Government Region of SA Inc
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

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

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

The Region has no interest in Joint Ventures or Associated Entities

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

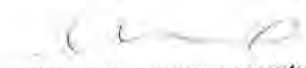
Central Local Government Region of SA Inc

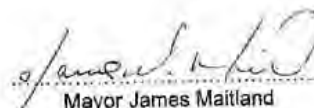
**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013**

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Central Local Government Region of SA Inc to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Region's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Region provide a reasonable assurance that the Region's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Region's accounting and other records.


Anita Crisp
CHIEF EXECUTIVE OFFICER


Mayor James Maitland
PRESIDENT

Date: 09/08/2013


Central Local Government Region of SA Inc


ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

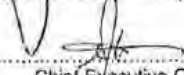
CERTIFICATION OF AUDITOR INDEPENDENCE


To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Central Local Government Region of South Australia Incorporated for the year ended 30 June 2013, the Council's Auditor, Ian G McDonald has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

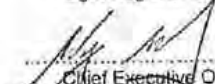
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.


Chief Executive Officer
The Barossa Council

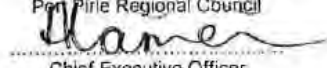

Chief Executive Officer
Clare and Gilbert Valleys Council


Chief Executive Officer
The Flinders Ranges Council

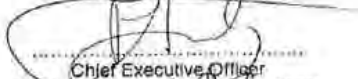

Chief Executive Officer
Light Regional Council


Chief Executive Officer
District Council of Mount Remarkable


Chief Executive Officer
Port Pirie Regional Council


Chief Executive Officer
District Council of Yorke Peninsula



Chief Executive Officer
District Council of Barunga West



Chief Executive Officer
District Council of the Copper Coast

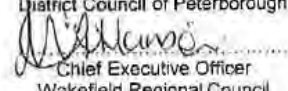

Chief Executive Officer
Regional Council of Goyder

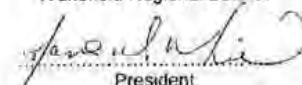

Chief Executive Officer
District Council of Mallala


Chief Executive Officer
Northern Areas Council


Chief Executive Officer
District Council of Peterborough


Chief Executive Officer
District Council of Peterborough


Chief Executive Officer
Wakefield Regional Council


President
Central Local Government Region
Board of Management

Central Local Government Region of SA Inc

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of The Central Local Government Region of SA Inc for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G Mc Donald FCA

Dated this 25 day of July 2013



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

I have audited the accompanying financial report of the Central Local Government Region of SA Inc which comprises the balance sheet as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2013.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc. as of 30 June 2013, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed 14 day of September 2013, at Eastwood, South Australia

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Eastwood, SA, 5063

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Henley Beach
SA 5022

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Facsimile: 8356 6397

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