



**The Flinders
Ranges Council**

ANNUAL REPORT 2015-2016

**Council Office
Telephone
Email
Website
Adopted**

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15 November 2016**



VISION

An engaging community which enjoys a sustainable, contemporary lifestyle and flourishing economy within an unspoilt natural environment

OBJECTIVES

- ✓ We have the essential infrastructure necessary to grow our communities
- ✓ Our community has equitable access to essential services
- ✓ Provide innovative solutions to grow delivery of services
- ✓ Maintain the lifestyle advantages and values our community treasures
- ✓ Population growth aligning with community values and needs
- ✓ Future focussed new industry and jobs growth
- ✓ We have a productive innovative residential population
- ✓ Growing awareness intra and interstate of our lifestyle and economic advantages
- ✓ We conserve our surrounding unspoilt natural environment and built heritage
- ✓ We have reduced our reliance on and use of grid power and reticulated water
- ✓ Our community is recognised for its sustainability initiatives
- ✓ Council leadership drives community action in reducing our carbon footprint
- ✓ We maximise partnerships to deliver services, facilities and infrastructure
- ✓ 'Continuous improvement' underlies our core values and practices
- ✓ Our focus is on engaging our community in local government
- ✓ Sound governance meeting contemporary standards and legislation
- ✓ Responsible business and people management




GOVERNANCE
ANNUAL REPORT

Version Number	8
Issued	October 2009
Last Review	October 2016
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COUNCIL PROFILE

Basic Statistics

Area	4,128 square kilometres
Population	1,702 (ABS Census 2011)
Sealed Roads	32 kilometres
Unsealed Roads	1,231 kilometres
Number of Rateable Properties	1,607
Total Revenue (including Rates)	\$4,361,481
Rate Revenue (including CWMS & Garbage)	\$2,094,411
Total Expenditure	\$4,776,887
Total Capital Expenditure	\$1,766,243

Local Industries

Tourism, pastoral, mixed farming, general light industry and film.

Major Tourist Attractions

The beautiful Flinders Ranges
Pichi Richi Railway
Historic Quorn
Hawker
Cradock
Hawker Panorama
Hawker Craft Mart
Warren Gorge
Pichi Richi Marathon
Hawker and Quorn Races
Quorn Agricultural Show

Council

The Council consists of a Mayor (elected at large) and eight Councillors with each Elected Member representing the whole community. Council elections are controlled by the Electoral Commission of South Australia and conducted by postal ballot. The next periodic election is scheduled to be held in November 2018. Council has nil vacancies as at 30 June 2016.

Council currently meets on the third Tuesday of the month and meetings, open to the public, commence at 6:30 p.m.

Meetings are held at Quorn at the Quorn Civic Centre, 1 Seventh Street Quorn, in January, February, April, May, July, August, October and November.

Meetings are held at Hawker at the Hawker Memorial Hospital Community Room, Cradock Road Hawker, in March, June, September and December.

Meeting times, dates and places may be changed by Council resolution only.

Elected Members

Local Government Elections were held in 2014. The newly elected Council had their first Council Meeting in November 2014. Elections are due again in 2018.

Mayor	Peter Slattery
Deputy Mayor	Ken Anderson
Councillors	Ronald (Mopsy) Daniel Nicole Downing Greg Flint Julian Hipwell Scott Reubenicht Clinton Ryks-Jones Garry Thompson

The following table details attendance of Elected Members at Council meetings:

Elected Members	Ordinary Meetings	Special Meetings	Sec 41 Committees								
			Audit	Flinders Ranges Visitor Information Centre Management	Quorn Swimming Pool Reference	Hawker Swimming Pool Reference	Policy Review Reference	Signage Reference	Little Corella Reference	Enterprise Bargaining	Flinders Regional Development Assessment Panel
Mayor Peter Slattery	12	2	2				4	0	0	0	
Cr Ken Anderson	8	1	2						0	0	
Cr Mopsy Daniel	11	1							0		
Cr Nicole Downing	9	2			5			0			
Cr Greg Flint	12	1	3			6			0		
Cr Julian Hipwell	12	1		12							
Cr Scott Reubenicht	9	2					3				
Cr Clinton Ryks-Jones	10	2					4		0		
Cr Garry Thompson	10	2									4
Total number of meetings	12	2	3	12	7	6	4	0	0	0	4

Elected Members' Allowances

Allowances are determined in accordance with the *Local Government Act 1999* and the *Local Government (Members Allowances and Benefits) Regulations 2010*.

Annual Allowances as at 30 June 2016:

➤ Mayor	\$23,060.00
➤ Deputy Mayor	\$ 7,206.25
➤ Elected Member - Quorn	\$ 5,765.00
➤ Elected Member - Hawker	\$ 6,332.00

The two Hawker based Elected Members receive an additional \$567.00 per annum to cover travel time to Quorn every month. Quorn Elected Members do not receive any travel time allowance for travelling to Hawker every 3 months.

In accordance with the Local Government (Members Allowances and Benefits) Regulations 2010 members are reimbursed for prescribed out-of-pocket expenses incurred while representing Council on official duties.

Allowances are determined by the Remuneration Tribunal which is outside the control of Council and appointed by State Government. Allowances are indexed annually in November.

Training and Development Opportunities for Elected Members

Training appropriate to the legislative and governance roles and functions of Councillors is provided by the Local Government Association of South Australia and associated training providers and is available for Members able and willing to participate. Council's Elected Member Training Policy mandates the LGA Online – Council Members Essentials Training.

In addition at each Ordinary Meeting held in the Quorn Council Chambers, Kelliedy Jones Lawyers provide half-hour training on various topics via webinar.

The following table details training undertaken by Elected Members pursuant to Council Training and Development for Elected Members Policy:

Elected Members	LGA Online	Kelliedy Jones Webinars	
		Planning Decisions April 2016	Freedom of Information May 2016
Mayor Peter Slattery	3	1	1
Cr Ken Anderson	3	0	0
Cr Mopsy Daniel	4	1	0
Cr Nicole Downing	0	1	1
Cr Greg Flint	4	1	1
Cr Julian Hipwell	4	1	1
Cr Scott Reubenicht	4	1	1
Cr Clinton Ryks-Jones	4	1	1
Cr Garry Thompson	1	1	1
Total training modules	4	1	1

Elector Representation


Number of Electors (as at 29th February 2016) 1,156

All Councils classified Rural Agricultural Small (RAS) under Australian Classification of Local Government

Council	Elected Members	Electors	Wards	Ward Quota
Cleve	8	1,263	1	157
Elliston	8	729	1	91
Flinders Ranges	9	1,156	1	128
Franklin Harbour	6	934	1	155
Karoonda-East Murray	7	771	1	110
Kimba	7	768	1	109
Orroroo Carrieton	7	720	1	102
Robe	7	1,235	1	176
Streaky Bay	8	1,523	2	190
Wudinna	7	847	1	121
Average excluding FRC	7	976	1	135

Neighbouring Councils classified Rural Agricultural Medium (RAM) under Australian Classification of Local Government

Council	Elected Members	Electors	Wards	Ward Quota
Mount Remarkable	7	2,167	2	309
Peterborough	9	1,260	1	140
Northern Areas	9	3,417	4	379

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Neighbouring Councils classified Urban Regional Small (URS) under Australian Classification of Local Government

Council	Elected Members	Electors	Wards	Ward Quota
Port Augusta	10	9,496	1	949

Council conducted a review of its representation quota in 2012-2013 pursuant to Section 12(4) of the *Local Government Act 1999*.

Councillors decided to retain 8 councillors plus a Mayor. This was approved by the Commissioner pursuant to Section 12(13)(a) of the *Local Government Act 1999* and published in the Government Gazette on 23 May 2013. Next scheduled review due in 2020-2021.

Use of Confidentially Provisions

All Council and Council Committee meetings are open to the Public.

Section 90(2)& (3) of the *Local Government Act 1999* provides Council with the authority to consider certain defined matters on a confidential basis and specify a time period for review of the confidentiality order.

The following table summarises the use (Section 90(2)) and release (Section 91(7)) of matters considered in confidence under Section 90(2) of the *Local Government Act 1999* for the period 1 July 2015 to 30 June 2016:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
Nil				

Regional Subsidiaries

Council is a member of the Central Local Government Region of South Australia Incorporated, a Regional Subsidiary created under the provisions of Section 43 of the *Local Government Act 1999*.

The annual financial report of the Regional Subsidiary is incorporated in the Annual Report as required by Clause 28 of Schedule 2 to the *Local Government Act 1999*. The full report is incorporated in this Annual Report or can be viewed at the Central Local Government Region's office, Clare.

Council is a "*relevant Council*" of the Flinders Regional Development Assessment Panel pursuant to Section 34(3) and Schedule 29 of the *Development Act 1993*.

The Annual Report of the Flinders Regional Development Assessment Panel is incorporated in this Annual Report.

Human Resources

The Flinders Ranges Council is an equal opportunity employer.

As at 30 June 2016, The Flinders Ranges Council employed 13.5 FTE males and 7 FTE females. Council also currently employs 2 trainees. Council currently employs no one with a registered disability and 1 person of Aboriginal and Torres Island descent.

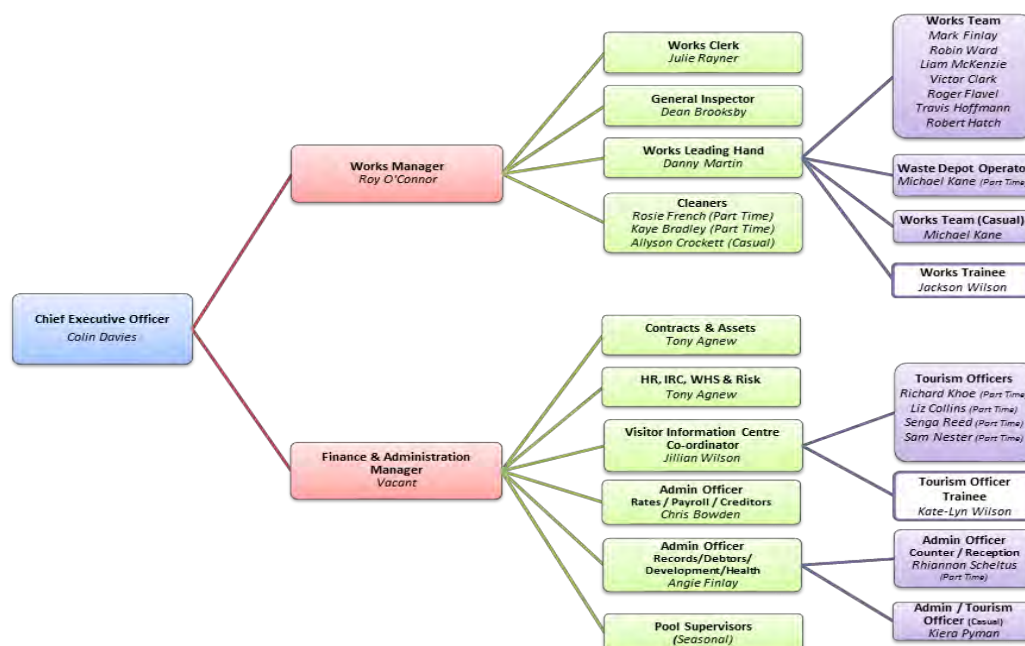
Senior Executive

Two (2) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses, but some contracts include an allowance for telephone, reimbursement of work related call costs made from that telephone, internet and the use of a Council provided motor vehicle for business and private use. Refer to page 18 for further clarification.


The Register of Salaries is available on Council's website and details all staff remuneration levels.

Council Organisation Structure

The following diagram shows the staff organisation structure of The Flinders Ranges Council as at 30 June 2016:



Above the Chief Executive Officer sits the Senior Leadership Team (Mayor, Chief Executive Officer, Works Manager). Above the Senior Leadership Team sits the Council (Elected Members).

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MAYOR'S REPORT

Another year is well and truly behind us, and as we reflect on what occurred and how things went it is apparent that our region has had a busy and very difficult year. Whilst the operation of The Flinders Ranges Council has not been greatly impacted by the larger economic challenges facing the north of South Australia, we've certainly had our own challenges as we seek to provide the most effective and efficient provision of essential services to our residents and ratepayers.

This has included development of a shared services arrangement with Port Augusta City Council, following the collapse of previous service arrangements within the Flinders Shared Services Group of Councils, and an agreement to co-fund a study into the possibility of much closer alignment of our operations and further sharing of services with a maximum potential outcome of combining all support functionality between Councils. To date, a lack of State co-funding and identification of appropriate professional expertise to undertake such a program has precluded such a study, but we continue to look to all our neighbouring Councils to see where we can share resources and expertise in order to best serve our communities. Council is endeavouring to reengage the Flinders Shared Services Group.

The Flinders Ranges Council has continued its membership of the Central Local Government Region, a collective of the rural and regional councils from The Barossa Council in the south up to The Flinders Ranges Council in the north, incorporating the Yorke and Mid North areas. This body has also identified an opportunity to become more professional and develop a higher profile as a regional advocacy and representation voice; to provide a better aggregation of service and product procurement in order to better serve our communities with better services at reduced costs; and to be an authoritative and respected partner for government and business in dealing with our region and its sub-regions. The Central Local Government Region has appointed a new Chief Executive Officer, and is developing branding and promotional strategies to enhance recognition and identification.

Announcement of the impending closure of the Leigh Creek Coal Mine and Pt Augusta Power Station created enormous apprehension and uncertainty throughout our region, and the subsequent closures have certainly led to very significant job losses and further loss of confidence in northern South Australia. A number of affected families, through direct or "downstream" employment, are our residents and our communities have supported each other as we transition through these challenging times. It will take a long time for the upheaval caused by this change in our regional economy to resolve itself.

Without much doubt, the biggest issue for our community in this past year has been the Federal Government's National Low-level Radioactive Waste Management Facility project. The announcement on 13 November 2015 that there were 6 sites selected for community engagement in the first phase – one being Barndioota, which is near the Council boundary about 30 km from Hawker – caught everyone by surprise and placed us firmly in the national media spotlight. There are many opinions within our community about the proposal, probably all along the spectrum from decisive opposition in principle through to pragmatic support in principle. Council has quite deliberately not assumed a leadership position in the debate, but rather is encouraging all our residents to avail themselves of as much relevant information as they can get, from a diversity of reputable sources, to enable them to make an informed decision about what is being proposed. It has been hugely problematic that the state discussions about a role for South Australia in High-level Nuclear Waste Disposal as an industry and economic saviour has been running fairly concurrently and is making it very difficult to separate for discussion those risks associated with the Federal Government's proposal from those relevant to the State Government's High-level process.

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The subsequent announcement by Minister Frydenberg on 29 April 2016 that only one site had progressed to the second phase of community engagement and site assessment (being Barndioota) has further focussed attention on our community. The proposal is the greatest issue facing our community at this time, and certainly warrants careful consideration of the relevant information by all residents. What the necessary “community consent” entails, and how it will be determined, are still somewhat ephemeral. Council, however, remains strongly engaged with the project team and visiting experts from a variety of regulatory and operational entities.

The Pichi Richi Railway is a very important tourist icon and drawcard for visitors to The Flinders Ranges Council region. As an entirely volunteer run operational railway which has achieved over 40 years of tourist rail services, it is a great credit to the members and volunteers who had the vision to establish it and who have carried the operation forward. Like all volunteer organisations, let alone one operating in such a heavily regulated and complicated environment, it is becoming increasingly difficult to find the capacity to continue its current configuration. The Pichi Richi Railway Preservation Society (the Society) has commenced more positive engagement with the community, and with Council, over the past year to ensure a strong and mutually beneficial ongoing relationship between the Society, the Quorn community and businesses, and the regional tourism economy. Council looks forward to working with the Society to ensure a great experience for all visitors and a strong and sustainable heritage railway for our region.

In conjunction with Port Augusta City Council, Outback Communities Authority and Regional Development Australia Far North, The Flinders Ranges Council co-hosted the State Government’s Community Cabinet visit to our region in February 2016. This was a great opportunity to meet with Ministers and decision makers within State Government, to present to them a range of key regional issues from a combined regional perspective, and to hear from them about their priorities. The visit took place against the background of the closure of Leigh Creek and the power stations, and the precarious position of Arrium operations in Whyalla. The issues presented to Cabinet were the sealing of the Strzelecki Track; regional tourism and specific support for the Society to ensure sustainability of the operation; maximising opportunities afforded by the fibre to the home NBN service in Port Augusta; and re-establishment of a regional focus within State Government departments and programs including regional location of managerial staff.

Closer to home, Council has continued to provide the services and facilities our communities require and to undertake ongoing and modest enhancements to our towns, public areas and facilities and support for our crucial community volunteers in operating their events for our community such as the race clubs and sporting groups. Council very genuinely and gratefully acknowledges the vital role volunteers play in our community, and we thank them for their commitment to our towns. In recent years, we were fortunate to have been able to access grant funds to undertake some asset redevelopment and upgrading for things like the town’s pools, sealing of Arden Vale Road, and development of the War Memorials. Such grants are harder to find now with both State and Federal Government’s having substantial budget problems, so Council is more focussed on maintenance and sustainable upgrade and development whilst these conditions prevail.

I also take this opportunity to thank all Council staff and Elected Members for their commitment and efforts over the year, and specifically pay tribute to Julie Campbell who retired from Council recently after 26 years of service. After 26 years, Julie had a great understanding of Council decisions and operations over previous times and was an invaluable resource. Thanks, Julie. We wish you well in your retirement.

Peter Slattery
Mayor

OFFICERS' REPORTS

Chief Executive Officer

The 2015-2016 financial year was once again very taxing for staff with the State Government continuing the introduction of new legislation and adding additional cost and compliance requirements for Council. Ongoing changes to legislation and regulations are scheduled as the State Government looks at new ways to raise their revenue at the expense of Local Government and ratepayers. This ongoing and continuous "cost-shifting" by the State Government continues to be a burden on the community through increased rates and, to a lesser degree, increased fees and charges.

Council remains committed to seeking collaborative opportunities through both the Flinders Shared Services Group and other mechanisms to both increase services and save costs.

Council shared the following services with other Councils during 2015-2016:

Position	Supplied by	Supplied to	Shared with
Environmental Health Officer	Port Pirie Regional Council		
Development Officer	Port Augusta City Council		
Building Officer	Port Augusta City Council		
WHS Officer	Port Augusta City Council		
General Inspector		District Council of Orroroo Carrieton	
Rates Officer		Outback Communities Authority	
Building Fire Safety Committee			District Council of Orroroo Carrieton; District Council of Mount Remarkable
Waste Services			District Council of Orroroo Carrieton; District Council of Mount Remarkable
Northern Passenger Transport Network	District Council of Mount Remarkable		District Council of Orroroo Carrieton; District Council of Peterborough, Northern Areas Council
Auditor			District Council of Orroroo Carrieton; District Council of Peterborough
Independent Chair Audit Committee			District Council of Peterborough
LGE (Corporate Software Service)			District Council of Peterborough, District Council of Kimba, District Council of Streaky Bay, Wudinna District Council, District Council of Karoonda East Murray, Clare & Gilbert Valleys Council, District Council of Loxton Waikerie, Outback Areas Authority

Council engages with the community through the monthly Newsletters, Council's website and Council's Facebook page. Council also advertises and places articles in the Quorn Mercury, Hawker Town Crier, Flinders News and Transcontinental on a regular basis.

Public consultation undertaken during the year included the Annual Business Plan 2016-2017, Budget 2016-2017 and Long Term Financial Plan 2016-2036; a range of updated Council policies and Terms of Reference; and Rating Discussion Paper 2016-2017. Council has continued to be very successful in obtaining grants in 2016-2017, most of which were competitive.

Council actively seeks additional funding opportunities to enhance Council's sustainable provision of infrastructure and services and improve the quality of life for its residents and businesses.

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The Flinders Ranges Council is one of the few councils around Australia that has secured two Regional Development Australia Fund grants (received \$831,520 in the first round Regional Development Australia Fund for the Energising the Flinders project and \$500,000 in Round 3 for refurbishment of the Quorn and District War Memorial Swimming Pool); \$565,000 from Special Local Roads Grant for Carrieton Road upgrade; and various smaller grants totalling over \$100,000. Council also supported several successful grant applications on behalf of sporting and community groups.

The Flinders Ranges Council continued programmed replacement and upgrade of Council infrastructure in 2015-2016, despite the loss of Supplementary Road Funding and indexation of the Financial Assistance Grant from the Federal Government. The Mayor has previously highlighted some of the upgrades such as Arden Vale Road construction and sealing and Quorn Swimming Pool replacement.

The Flinders Ranges Council continues to support a range of community events which attract many people to the Council district. Some of the major events proudly supported/sponsored by Council are Hawker Races; Quorn Races; Pichi Richi Marathon; Quorn Agricultural Show; Quorn Christmas Pageant and Christmas Eve Street Party; Quorn Produce Market; Hawker Craft Market, Anzac Services in Cradock, Hawker and Quorn; Australia Day services in Hawker and Quorn; Men's Shed Men's Breakfast and various sporting events.

In addition Council provides ongoing support to the film industry and actively promotes the region as an ideal location for filming.

The Elected Members strive to improve services and infrastructure with a limited budget, which at times is a hard balancing act between services, infrastructure and rates. The elected body is keen to keep the community engaged in the decision making process and has always welcome community input.

I thank all staff for their continued dedication and hard work in serving The Flinders Ranges Council community. Their efforts to improve the lives of others is very much appreciated by myself, the elected body and the community in general. I look forward to continued support in improving services and infrastructure in our community.

Finally, the sustainable provision of a wide range of services and the maintenance of infrastructure remains a key challenge for our Council, which continues to pursue alternative service delivery models including shared services and joint operations.

Colin Davies
Chief Executive Officer

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Works Manager

The Works Department operated with a small group of employees who contribute to the completion of the approved Works Program, both construction and town maintenance as well as other capital works and maintenance of Council's diverse range of infrastructure and buildings throughout the Council district.

Plant Replacement Program

To support staff, expenditure has occurred to provide replacement plant and machinery which included:

- ✓ One Tandem drive Tip-truck with interchange water cart equipment
- ✓ One Toro front deck mower with catcher
- ✓ Various small plant and machinery for maintenance of council infrastructure including spray packs, blowers and tools.

Capital and Works Program

The following works were completed during the reporting year:

- ✓ Replacement of kerb and water table on Wilpena Road, Hawker
- ✓ Replacement of 14 CWMS chambers in the Hawker Township and flushing of CWMS associated gravity mains.
- ✓ Repair and paint internal areas Hawker Institute
- ✓ Rehabilitation at the Quorn Waste Transfer Station
- ✓ Replacement of culverts through unloading area Quorn Waste Transfer Station.
- ✓ Quorn Town Hall internal painting
- ✓ Verandah installed oval ablution block Quorn Community Hall
- ✓ New Shelter at Quorn Oval entrance
- ✓ New trestles, chairs and trolleys Quorn Community Hall
- ✓ Replace flooring in Quorn Depot Office area
- ✓ Storage Packs for Quorn Depot Workshop
- ✓ Thompson Park paved area's completed
- ✓ Replace pavers at Quorn War Memorial Area including up-lighting of Flagpole
- ✓ Development of the new War Memorial at Hawker including paved areas, monument stones, irrigation and plantings
- ✓ Culverts installed at creek crossing Quorn Town Oval
- ✓ Installation of pedestrian ramps and water tables Quorn CBD Area
- ✓ Painting of the public toilets Thompson Park
- ✓ Planting of 50 established tree's, Memorial Crosses and irrigation at East Parklands Area

Roads to Recovery Program

The following roads were constructed & sealed including installation of 1,810m kerb and water-table, flood mitigation measures on Park Terrace East and application of 18,000m² of two coat bitumen sealing:

- ✓ Park Terrace West
- ✓ Park Terrace East
- ✓ Durnford Road
- ✓ Shepstone Street
- ✓ Zulu Street

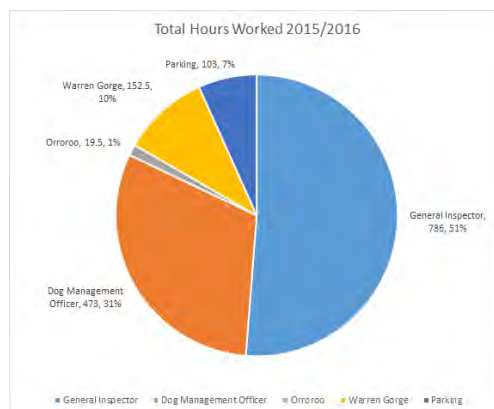
Resheeting

The following roads sections were resheeted during the year:

- ✓ Cemetery Road – 0.4 km
- ✓ Yarrah Vale Road – 2.0 km
- ✓ The Oaks Road – 1.0 km
- ✓ Gunyah Road – 1.0 km
- ✓ Old Gunyah Road – 2.2 km
- ✓ Richmans Valley Road – 1.0 km
- ✓ Grandview Drive – 1.3 km
- ✓ Wards Road – 1.0 km

Compliance

The graph below shows the allocation of the General Inspectors time in 2015-2016:



The table below details the General Inspectors activity during 2015-2016:

Month	Dog Attacks, Harrassment	Expiations Issued	Wandering Dog	Warnings Issued	Expiations Issued	Impounded Dogs	Barking Dog Complaints	Warnings Issued	Expiations Issued	Cat Complaints	Warning Issued	Parking Illegally	Verbal Warnings	Expiations Issued	Other	Current Total Dogs Registered
July																
August	1	2	10	8	2	4	0	0	0	4	2	4	4	0	Coats 2	
September	1	2	7	2	5	1	3	2	0	3	0	10	7	0	Birds 2	570
October	0	2	1	1	0	0	0	0	0	4	20	7	20	0	0	570
November	0	0	0	0	0	0	0	0	0	0	0	8	3	0	0	572
December	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	575
January	0	0	1	1	0	1	2	1	0	1	0	1	1	0	0	580
February	2	0	3	1	0	2	4	4	0	0	0	0	0	0	0	581
March	0	0	3	1	0	0	1	0	0	5	0	0	0	0	0	581
April	0	0	3	0	0	0	0	0	0	4	1	0	0	0	0	581
May	0	0	3	1	0	0	2	0	0	3	0	0	0	0	0	582
June	0	0	1	1	0	0	1	1	0	3	0	1	1	0	0	582
TOTAL	4	6	33	17	7	8	14	8	0	27	23	31	36	0	0	

Roy O'Connor
Works Manager

Development Officer

Tung Pham (Development Officer) and Nick Heron (Building Officer) started in March 2015 as Council's Development Officer and Building Officer on a fee for service basis from Port Augusta City Council.

Council also utilised the skills of its own staff and Planning Consultant, Prime Planning, in processing for Planning Consent. Harmer CLG, Council's Consultant Building Surveyor, was engaged to undertake any Building Rules Consent required.


Development Approvals

The following table illustrates the number and value of development approvals by category for the current and the previous financial year:

Class	Description	2012-2013	2013-2014	2014-2015	2015-2016
		Number of Applications	Number of Applications	Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	7	6	8	5
1b	Boarding House, Guest House, Hostel	1	1	1	1
2	Building containing 2 or more units	0	0	0	0
3	Residential Building (e.g. aged)	1	0	1	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	0	0	2	0
5	Office building	0	2	1	1
6	Shop or other building	2	1	3	0
7	Carpark or building for storage, display of goods or produce for sale	2	0	0	0
8	Laboratory	0	0	0	1
9	Health Care building	0	0	0	0
10a	Non-habitable building or structure (e.g. verandah, garage, shed)	54	40	19	37
10b	Swimming Pool, fence mast or antenna	3	1	4	3
Land Division Applications		1	0	0	0
Total Applications and Development Cost		71 Total Value \$1,651,940	51 Total Value \$3,064,466	39 Total Value \$4,310,611	48 Total Value \$1,712,353

Strategic Directions Report

Council commenced a Strategic Directions Report in December 2013. Section 30 of the *Development Act 1993* requires that all Councils in South Australia prepare a Strategic Directions Report addressing the strategic planning issues for the region, identifying amendments to the Development Plan, and setting out Council's priorities with respect to land use planning, transport and infrastructure provision, and the delivery of the relevant strategies and targets contained within the Planning Strategy.

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Every Council must prepare or update their Strategic Directions Report on a regular basis, in particular following an alteration to the South Australian Planning Strategy (i.e. publication of the Far North Plan in 2010).

The Strategic Directions Report is the key instrument which allows a Council to outline a vision for growth in the Council and establish a concurrent set of priority actions for planning policy change. This is primarily achieved by means of a program of Development Plan Amendments (DPAs) to transcribe envisaged policy into Development Plan provisions. In particular, the Strategic Directions Report should identify the council's priority actions for:

- achieving orderly and efficient development through the implementation of planning policies
 - integrating transport and land-use planning within its area
 - implementing the relevant policies and targets in the Planning Strategy
 - implementing the affordable housing policies in the Planning Strategy
 - infrastructure planning (including both physical and social infrastructure)
 - any other projects or initiatives considered to be of strategic importance by the council.
- (See section 30 (2) (b) and (1) (c) of the *Development Act 1993* for further information)

Consultants, URS, were appointed by Council and conducted workshop sessions on several occasions with Mayor, Councillors and key staff. Public Meetings were held in Hawker and Quorn in early June 2014 to discuss the draft Strategic Directions Report. The Strategic Directions Report was adopted by Council on 12 August 2014.

Referral

Council referred 1 application to the Flinders Ranges Development Assessment Panel, which was approved.

Tung Pham
Development Officer

Environmental Health Officer

Scott Parsons replaced Maria Xanthis in June 2015 as a part-time Environmental Health Officer. Maria also undertook Environmental Health Officer duties for the District Council of Orroroo Carrieton.

Key Statistics for the year 2015-2016 Financial Year:

21 inspections of food premises were conducted
 12 inspections of other premises were conducted
 No written warnings were issued
 All high risk manufactured water systems (warm water systems) were inspected and renewed for 2015-2016.
 10 wastewater system applications were approved in 2015-2016.
 Regional Health Plan completed and adopted.

Scott Parsons
Environmental Health Officer

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PUBLIC PARTICIPATION AND ACCESS TO COUNCIL DOCUMENTS

Public Participation

Council Meetings are open to the public and residents are invited to attend all and any meetings to obtain a better understanding of the mechanisms of Council.

Deputations and presentations to Council can occur subject to a written request being made to Council and addressed to the Mayor.

Petitions can also be presented to Council on any issue that is within Council jurisdiction.

Access to Council Documents:

The following documents are available for public inspection at the Council office.

- Agenda and Minutes
- Strategic Plan
- Policy Manual
- Annual Business Plan
- Long Term Financial Plan
- Infrastructure and Asset Management Plans
- Asset Register
- Annual Report
- Financial Report
- Development Plan
- Development Application Register
- Assessment Book
- Voters Roll
- Register of Members Allowances and Benefits
- Register of Employee's Salaries, Wages and Benefits
- Community Lands Management Plan
- Animal Management Plan
- Community Emergency Response Management Plan
- Business Continuity Plan
- Register of Dogs.

Printed copies of the above are available for a charge or are freely available on Council's website: www.frc.sa.gov.au


Other Information Requests

Requests for other information will be considered and may be determined in accordance with the *Freedom of Information Act 1991*.

An application and search fee will be required to be lodged with any application for information under *Freedom of Information Act 1991*. Should detail the information required and the intended use of that information. Any Freedom of Information application should be made on the correct form, be accompanied by the applicable fee and will be assessed within the statutory period required under the *Freedom of Information Act 1991*.

Any request for information should be addressed to the:

FOI Officer, The Flinders Ranges Council, PO Box 43, Quorn SA 5433

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Public Consultation

The Flinders Ranges Council has adopted a Public Consultation Policy in accordance with Section 50 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 14 August 2012 and in July 2015.

The following steps will be taken by Council to fulfil the requirements of the Public Consultation Policy. Council's management executive, in consultation with Council as deemed necessary, will:

- identify stakeholders relevant to the consultation topic;
- decide the key messages to deliver to stakeholders;
- identify the parameters of the consultation initiative, that is, what aspects of the decision can be influenced;
- identify a range of appropriate options for communicating information to stakeholders and inviting involvement – “the communication strategy”;
- identify a range of appropriate consultation initiatives – “the consultation strategy”;
- identify contact person(s) for interested parties to obtain further information;
- identify timeframes relevant to the consultation initiative. Council will aim to provide 14 days notice of any consultation forums or opportunities, and ensure a period of 21 days is allocated from the date of inviting involvement to the final closing date for submissions;
- determine responsibility for:
 - implementing the communication and consultation strategy;
 - reporting to Council on the outcomes;
 - providing feedback about the decision to participants; and
 - ensuring appropriate records are kept.

Internal Review of Council Decisions

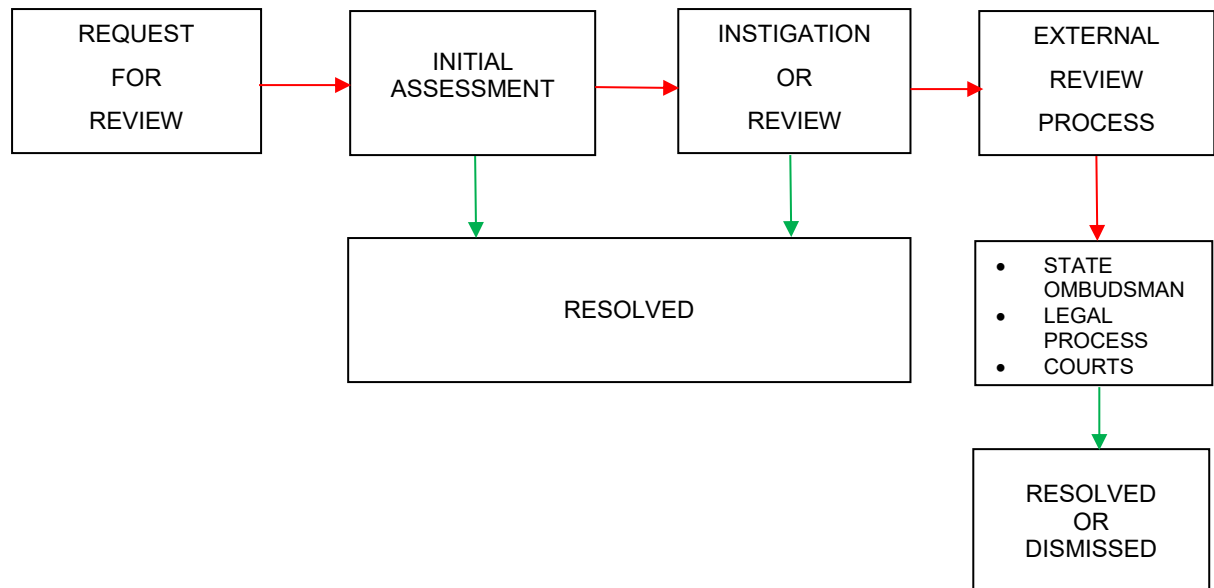
The Flinders Ranges Council is committed to transparent decision-making processes, and to providing access to a fair and objective procedure for the internal review of decisions.

Grievances may arise as a result of dissatisfaction with a decision about a policy, procedure, service or fee. All attempts will be made to resolve grievances quickly and efficiently, without the need for formal applications for review to be lodged. Sometimes this cannot be achieved. Council's Internal Review of Council Decisions Policy provides guidance for dealing with formal requests for internal review of decisions of Council, its employees, and other people acting on behalf of the Council.

Dealing with grievances at the local level is the most effective way of resolving matters quickly. Applicants for review of decisions will be encouraged to participate in the review handling process co-operatively. However, this will not negate citizens' rights to seek external review through the State Ombudsman, other legal appeal processes, or the Courts at any time during the internal review process.

The Flinders Ranges Council's Internal Review of Council Decisions Policy, has been adopted in accordance with Section 270 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 21 July 2015 and is one aspect of Council's customer focused approach to service delivery. It provides a further opportunity to review the way Council provides services to the community, and to identify areas for improvement.

The following diagram demonstrates the review processes available to the applicant for the review of Council decisions.



During 2015-2016 reporting year, Council received no requests for the Internal Review of Council Decision under Section 270 of the *Local Government Act 1999*.

Freedom of Information

A member of the public may make a request under the *Freedom of Information Act 1991* for access to documents.

To gain access to these Council records, a member of the public must complete a Freedom of Information request application outlining the records that they wish to inspect and pay the prescribed fee.

During the 2015-2016 reporting year, Council received two requests under the *Freedom of Information Act 1991*.

Council currently has 1 FOI Officer (being the Chief Executive Officer) as at 30 June 2016.

Amendment of Council Records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the *Local Government Act 1999* or the *Freedom of Information Act 1991* depending on the document that requires correction. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out-of-date.

To gain access to these Council records, a member of the public must complete a Freedom of Information request application as indicated above outlining the records that they wish to inspect.

Application of National Competition Policy to Local Government

Pursuant to the *Government Business Enterprises (Competition) Act 1996* Council has no report to make as Council does not operate any business activity subject to the application of Policy principles.

Council did not have or enter into any significant business activity which would be subject to Category 1 or 2 of the SA Policy.

Council did not review or propose any By-laws during 2015-2016 subject to the *Government Business Enterprises (Competition) Act 1996*.

Procurement - Competitive Tender and Local Purchasing

Council's Procurement and Disposal Policy has been applied in the purchase of all goods and services including items of a capital nature during the reporting year. Wherever possible the use of local suppliers for the purchase of goods and services is given due consideration provided the specification and other prerequisites meet Council's requirements.

Council has reviewed and updated this policy during the reporting period.

Public Access to Council Documents

During 2015-2016 Council did not apply the provisions of Section 90(2) of the *Local Government Act 1999* during the reporting year as per the table below:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
Nil				

Strategic Management Plan

Council has aligned its Strategic Management Plan 2012-2022 with the South Australian Strategic Plan 2011. The new Council reviewed and updated the Strategic Management Plan 2012-2022 in February 2015.


During 2015-2016 Council has achieved in thirteen key areas of performance against the seventeen key objectives outlined in the Council Strategic Management Plan 2012-2022.

Annual Business Plan

Council has successfully minimised the financial impact of external factors beyond its control in its Annual Business Plan 2015-2016 and has continued to maintain and enhance delivery of all services imposed by the *Local Government Act 1999*, the *Development Act 1993* and other applicable legislation enacted by Federal and State Governments.

The Annual Business Plan 2015-2016 was adopted on 19 July 2015.

Council has reviewed the 2015-2016 budget against audited actuals pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011*. All variations over 10% have been noted in the FRC Financial Statements 2015-2016.

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Long Term Financial Plan

Council has been moving toward long-term sustainability and increasing its own source income in this light and has continued to maintain and enhance delivery of all services.

Council reviews and updates the Long Term Financial Plan on an annual basis and the first year of the Long Term Financial Plan is the current year's budget.

The Federal Governments freezing of indexation on the Financial Assistance Grant and the withdrawal of the Supplementary Road Funding has resulted in Council reducing some services. This withdrawal of funding penalised Council by \$400,000 over three years.

The Long Term Financial Plan 2015-2035 was adopted on 19 July 2015.

Community Land Management Plan

Council has adopted a Community Land Management Plan in accordance with Section 196 of the *Local Government Act 1999*. The Management Plan guides Council in the utilisation of community land and buildings. It is available on Council's website.

Council has commenced reviewing the Community Land Management Plan which should be finalised during 2016-2017.

Auditor's Remuneration

Ian MacDonald was paid the sum of eight thousand, five hundred dollars (\$8,500.00) for the 2014-2015 audit of Council's financial statements and processes. Ian McDonald was contracted for 5 years under a competitive tender process in May 2010, with the appointment commencing with the 2010-2011 year audit. The audit of the 2014-2015 Financial Statements was the last audit of Ian McDonald under this contract.

Galpins Accountants, Auditors and Business Consultants have been awarded the contract from the 2015-2016 year audit (3 +2 contract). The contracted fee is \$19,000 for the 2015-2016 audit and indexed annually.

The Auditor's report did not identify any areas of concern or reportable occurrences.

Decision Making Structure

All decisions are the property of the Council. The committees appointed by Council have an advisory function only, and Council officers are empowered to act in accordance with delegations made by Council pursuant to the provisions of the *Local Government Act 1999* and associated legislation. All committee meeting minutes are received by Council and recommendations acted on.

Refer to Council Organisation Chart on page 9 for Council's internal decision making structure.

Council delegates various functions to the staff to enable services and infrastructure to be provided to the community in a timely manner (refer Page 28).

Volunteers

Volunteers are an important and integral part of The Flinders Ranges Council, assisting with the development of Council property and services.

Their contribution is acknowledged and appreciated as is that of all the volunteers engaged in other volunteer organisations across the Council district.

All volunteers make a significant contribution to our communities.

WHS and Risk Management

The Flinders Ranges Council has a strong commitment to ensuring all employees and volunteers are provided with a safe work environment with risk management practices being integrated into all facets of Council's operation and delivery of services.

Item	Number Conducted During 2015-2016
Contractor Induction & Update	62
Risk Assessments – Substances	0
Risk Assessments – Task	12
Risk Assessments – Plant	3
Internal Audits	4
Safe Work Instructions (SWIs)	1
WHS Meetings	6
Works Staff Meetings	12
Admin Staff Meetings	12
Accident / Incident Investigations	10
CAPA Register – new items during year	120
CAPA Register – Open Items as at 30Jun16	37
WHS Policy / Procedure Reviews	21


Council has been working through its WHS Plan.

The Flinders Ranges Council has been selected as one of 4 councils that Return to Work SA may audit for compliance in 2018.

The Local Government Association Workers Compensation Scheme is working with Council to ensure that if selected for audit, Council will be compliant.

A summary compliance calendar for 2016:

2016	Jan	Feb	Mar	Apr	May	Jun
Inspections	80%	80%	67%	100%	100%	100%
Chemical Management	NR	100%	100%	100%	NR	NR
Meetings	75%	100%	60%	67%	75%	75%
Registers	0%	50%	NR	100%	50%	100%
Workplace testing	NR	100%	100%	NR	NR	NR
Evacuation Drills	NR	NR	NR	NR	NR	NR

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STAFF

Administration

Chief Executive Officer	Colin Davies
Chief Finance Officer	Colin Davies
Rates / Payroll and Administration Officer	Chris Bowden
WHS / HR / Asset Management / Contracts	Tony Agnew
Administration Officers	Angie Finlay
	Rhiannon Scheltus

Flinders Ranges Visitor Information Centre (FRVIC)

FRVIC Co-ordinator	Jillian Wilson
Tourism Officers	Richard Khoe / Liz Collins
	Senga Reed / Samantha Nester

Operations

Works Manager	Roy O'Connor
General Inspector	Dean Brooksby
Works Clerk	Julie Rayner
Team Leader	Danny Martin
Plant Operators / Maintenance Workers	Robin Ward
	Liam McKenzie
	Victor Clark
	Mark Finlay
	Roger Flavel
	Robert Hatch
	Travis Hoffmann
Waste Depot Operator	Michael Kane
Cleaners	Daisy Higgins / Kaye Bradley /
	Allyson Crocket

Contract Staff


Planning Consultant	Tung Pham (PACC) / Prime Planning
Building Consultant	Nick Heron (PACC) / Harmer CLG
EH – Food Safety	Chris Hunt
EH – CWMS	Port Pirie Regional Council
CWMS Technical	Chris Brideson
WHS	James Holmes (PACC)
Legal Advisors	Norman Waterhouse, Wallmans & Kelledy Jones
	Lawyers
Auditor	Galpins Accountants, Auditors & Business
	Consultants
Insurers	Local Government Risk Services

Seasonal Staff

Pool Supervisors (Nov – Mar)	Kiandra Wastell / Jade Wastell-Stevens
	Andrea McCallum / Jared Hilder / Chelsea Haywood

Senior Officers (included above)

The Chief Executive Officer is paid to compensate for time worked outside normal office hours. Council also meets the cost of rental for the telephone, internet and cost of professional memberships.

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The Works Manager has his telephone rental and the cost of any work related calls reimbursed.

A vehicle for full private use is provided to both the above senior officers.

OTHER

Registers

- Members Register of Interest
- Staff Register of Interest
- Members Allowances and Benefits
- Staff Allowances and Benefits
- Campaign Donations (elected members)
- Assessment Book
- Asset Register
- Signs
- Grids
- Development Approvals
- Loans
- Licences / Leases / Permits
- Various WHS
- Contractors
- Insurance
- Requests
- Complaints
- Community Lands.

Governance and Community Development

Council has continued its membership of the Central Local Government Region and participated in the regional activities of that organisation.

During the year Council was a member of Regional Development Australia Far North.

Council was also a member of the Flinders Shared Services Group, together with the District Councils of Mount Remarkable, Orroroo Carrieton and Peterborough.

Distribution of Information

Council continues to communicate with its residents by regular distribution of newsletters and placement of information notices in local newspapers. Council's website is continuing to be further enhanced for the distribution of information. Council continued to provide information via it's Facebook page during the year.


Council distributes a monthly Newsletter to all residents via an unaddressed mail out and is available on Councils Website www.frc.sa.gov.au

2016 Australia Day Awards

The following 2016 Australia Day Awards were made by Council:

Citizen of the Year – Ian Rodgers

Certificate of Recognition – Barb Walker

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COUNCIL COMMITTEES AND DELEGATES

Council Committees

Statutory Committees

Audit Committee (Sec 126 *Local Government Act 1999*)
 Flinders Regional Development Assessment Panel (Sec 34 *Development Act 1934*)
 Flinders Ranges Visitor Information Centre Management Committee (Sec 41 *LG Act*)

Reference Committees

Quorn Swimming Pool Reference Committee
 Hawker Swimming Pool Reference Committee
 Enterprise Bargaining Committee
 Little Corella Reference Committee
 Signage Reference Committee
 Policy Review Reference Committee

Operational Committees

Senior Leadership Team
 The Flinders Ranges Council Building Fire Safety Committee
 Community Emergency Risk Management Committee
 Warren Gorge Sub Committee

Council Delegates

Council Members, staff and residents represent Council on the following committees:

Central Local Government Region of South Australia
 Flinders Ranges Tourism Operators Association
 Flinders Ranges and Outback SA Tourism Committee
 Locust Community Reference Group
 Hawker Area School Governing Council
 Hawker Community Development Board
 Hawker Country Fire Service
 Hawker School / Community Library Board
 Hawker Community Sporting Centre
 Hawker Health Advisory Council
 Local Government Association of South Australia
 Local Government Finance Association of South Australia
 Local Government System Incorporated
 Northern Passenger Transport Network
 Quorn Agricultural Show Society
 Quorn Country Fire Service
 Quorn Health Advisory Council
 Quorn Hospital Primary Health Care Committee
 Quorn State Emergency Services
 Quorn School / Community Library Board
 Quorn Local History Group
 Region 4 Bushfire Management Committee
 Regional Coordination Network – Far North
 Regional Development Australia Far North
 Wirreanda Cottages
 Zone Emergency Management Committee – Far North

Policies


The *Local Government Act 1999* requires Councils to have in place certain policies. Listed below are the various policies or codes either required by the *Local Government Act 1999* or other Acts or agreed to by Council:

Number	Policy Title	Issue Date	Last Review Date
G1.1	Safe Environment	July 2012	March 2016
G1.2	Code of Conduct for Employees (Statutory)	August 2013	February 2014
G1.3	Training and Development for Elected Members	July 2012	February 2015
G1.4	Elected Members' Allowances and Benefits	July 2012	June 2015
G1.5	Elected member Conduct – Complaint Handling	July 2012	June 2015
G1.6	Code of Conduct for Elected Members (Statutory)	August 2013	February 2014
G1.7	Information Privacy	July 2012	March 2016
G1.8	Code of Practice – Access to Council Meetings and Documents	July 2012	September 2015
G1.9	Public Consultation	July 2012	June 2015
G1.10	Internal Controls	July 2012	December 2015
G1.11	Order Making	July 2012	June 2015
G1.12	Work Health and Safety and Injury Management (LGAWCS)	April 2015	December 2015
G1.13	Internal Review of Council Decisions	July 2012	June 2015
G1.14	Whistle-blowers Protection	July 2012	June 2015
G1.15	Records Management Procedure	July 2012	September 2015
G1.16	Copyright Infringement	July 2012	September 2015
G1.17	Selection of Road and Public Place Names	July 2012	March 2016
G1.18	Fraud and Corruption Prevention	July 2012	June 2015
G1.19	Asset Management	July 2012	March 2016
G1.20	Customer Service Goals	July 2011	February 2015
G1.21	Accounting for Assets	July 2012	March 2016
G1.22	Risk Management	July 2012	June 2015
G1.23	Customer Complaints	July 2012	June 2015
G1.24	Caretaker Policy	June 2010	December 2015
G1.25	Procurement and Disposal Policy	May 2011	March 2016
G1.26	Treasury Management	May 2013	October 2014
G1.27	Social Media	August 2013	March 2016
G1.28	Rating and Rate Rebate	July 2014	July 2016
G1.29	Prudential Management	January 2014	September 2015
G1.30	Building Inspection	October 2014	October 2014
G1.31	Management of Stormwater Across Footpaths	December 2015	December 2015
G1.32	Code of Conduct Volunteers	October 2014	October 2014
G1.33	Public Question Time	February 2015	February 2015
G1.34	Code of Practice – Meeting Procedure	March 2015	March 2015
G1.35	Council Resources for Emergency Response	August 2016	August 2016
G1.36	Tree Management Policy	July 2016	July 2016
G1.37	Closed Circuit Television and Security Camera	March 2016	March 2016
G1.38	Informal Gatherings	July 2016	July 2016
G1.39	CWMS Hardship Policy & Customer Service Charter	July 2016	July 2016

All policies can be viewed at the Quorn Council Office, Monday to Friday between the hours of 9:00 am and 5:00 pm or all are available on Council's website www.frc.sa.gov.au for download.

Council's Policy Review Reference Committee has finalised the review of all policies in 2015-2016. The Policy Review Reference Committee is also proposing new policies for consideration by Council:

Outdoor Dining and Liquor Licencing; Memorials outside Cemeteries

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Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and policy matters. The delegations are included in the Policy Manual and reviewed annually by Council. Council cannot delegate to staff various functions as outlined in Section 44(3)(a) and (k) of the *Local Government Act 1999*.

Delegations as at 30th June 2016 were:

<i>Burial and Cremation Act 2013</i>	Colin Davies
<i>Community Titles Act 1996</i>	Roy O'Connor
<i>Development Act 1993</i>	Colin Davies
	Colin Davies
	Tung Pham / Nick Heron
	Lynette Brandwood
	Peter Harmer
<i>Dog and Cat Management Act 1995</i>	Colin Davies
	Roy O'Connor
	Dean Brooksby
<i>Environment Protection Act 1993</i>	Colin Davies
	Roy O'Connor
<i>Expiation of Offences Act 1996</i>	Colin Davies
	Roy O'Connor
<i>Fences Act 1975</i>	Colin Davies
<i>Fire and Emergency Services Act 2005</i>	Colin Davies
	Mark Finlay
	Dean Brooksby
<i>Food Act 2001</i>	Colin Davies
	Chris Hunt
<i>Freedom of Information Act 1991</i>	Colin Davies
<i>Heavy Vehicle National Law (SA) Act 2013</i>	Colin Davies
	Roy O'Connor
<i>Housing Improvement Act 1940</i>	Colin Davies
<i>Impounding Act 1920</i>	Colin Davies
	Roy O'Connor
	Dean Brooksby
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Colin Davies
<i>Liquor Licensing Act 1997</i>	Colin Davies
<i>Local Government Act 1999</i>	Colin Davies
	Roy O'Connor
<i>Natural Resources Management Act 2004</i>	Colin Davies
<i>Real Property Act 1886</i>	Colin Davies
<i>Roads (Opening and Closing) Act 1991</i>	Colin Davies
	Roy O'Connor
<i>Road Traffic Act 1961</i>	Colin Davies
	Roy O'Connor
<i>Safe Drinking Water Act 2012</i>	Colin Davies
<i>South Australian Public Health Act 2011</i>	Scott Parsons
<i>Supported Residential Facilities Act 1992</i>	Colin Davies
<i>Unclaimed Goods Act 1987</i>	Colin Davies
<i>Water Industry Act 2012</i>	Colin Davies
	Roy O'Connor
<i>Work Health and Safety Act 2012</i>	Colin Davies
	Roy O'Connor
	Tony Agnew

The Flinders Ranges Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2016

*An engaging community which enjoys a sustainable,
contemporary lifestyle and flourishing economy within an
unspoilt natural environment.*



The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2016

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The Flinders Ranges Council

General Purpose Financial Statements

for the year ended 30 June 2016

Certification of Financial Statements

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

In our opinion:

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



Colin Davies
CHIEF EXECUTIVE OFFICER



Peter Slattery
MAYOR

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2016

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year, and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income & expenses.

2. A Balance Sheet

A 30 June snapshot of Council's financial position including its assets & liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

The Flinders Ranges Council

Statement of Comprehensive Income

for the year ended 30 June 2016

\$	Notes	2016	2015
Income			
Rates Revenues	2a	2,094,411	2,050,969
Statutory Charges	2b	36,252	34,897
User Charges	2c	83,328	80,106
Grants, Subsidies and Contributions	2g	1,584,685	1,620,397
Investment Income	2d	95,035	95,900
Reimbursements	2e	81,479	104,006
Other Income	2f	386,292	388,024
Total Income		4,361,481	4,374,298
Expenses			
Employee Costs	3a	1,232,343	1,526,121
Materials, Contracts & Other Expenses	3b	2,211,089	1,520,454
Depreciation, Amortisation & Impairment	3c	1,240,615	1,336,829
Finance Costs	3d	92,840	94,707
Total Expenses		4,776,887	4,478,110
Operating Surplus / (Deficit)		(415,406)	(103,813)
Asset Disposal & Fair Value Adjustments	4	(9,959)	(4,940)
Amounts Received Specifically for New or Upgraded Assets	2g	1,110,000	1,905,000
Net Surplus / (Deficit) ¹		684,635	1,796,247
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	-	(489,957)
<i>Amounts which will be reclassified subsequently to operating result</i>			
Nil			
Total Other Comprehensive Income		-	(489,957)
Total Comprehensive Income		684,635	1,306,290
AASB1004 Recognition			
Financial Assistance Grants Received in Advance	2ga	(777,546)	777,546
Operating Surplus / (Deficit) adjusted for AASB1004		(1,192,952)	673,733
Special Local Roads Grant Received in Advance	2ga	565,000	-
Total AASB1004 Adjustments		(212,546)	777,546
Total Comprehensive Income after AASB1004		472,089	2,083,836

¹ Transferred to Equity Statement

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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The Flinders Ranges Council

Statement of Financial Position

as at 30 June 2016

\$	Notes	2016	2015
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	3,229,917	3,857,871
Trade & Other Receivables	5b	368,111	387,779
Inventories	5c	544,769	290,763
Total Current Assets		4,142,797	4,536,412
Non-Current Assets			
Financial Assets	6a	-	2,041
Infrastructure, Property, Plant & Equipment	7a	56,657,903	56,186,324
Other Non-Current Assets	6b	49,291	-
Total Non-Current Assets		56,707,194	56,188,365
TOTAL ASSETS		60,849,991	60,724,777
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	765,501	1,085,772
Borrowings	8b	195,966	206,467
Provisions	8c	721,185	802,222
Total Current Liabilities		1,682,652	2,094,461
Non-Current Liabilities			
Borrowings	8b	1,307,088	1,455,066
Provisions	8c	44,008	43,641
Total Non-Current Liabilities		1,351,095	1,498,707
TOTAL LIABILITIES		3,033,748	3,593,168
Net Assets		57,816,244	57,131,609
EQUITY			
Accumulated Surplus		16,500,415	15,594,306
Asset Revaluation Reserves	9a	38,775,047	38,775,047
Other Reserves	9b	2,540,782	2,762,256
Total Council Equity		57,816,244	57,131,609

The Flinders Ranges Council

Statement of Changes in Equity for the year ended 30 June 2016

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2016					
Balance at the end of previous reporting period		15,594,306	38,775,047	2,762,256	57,131,609
a. Net Surplus / (Deficit) for Year		684,635	-	-	684,635
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		684,635	-	-	684,635
c. Transfers between Reserves		221,474	-	(221,474)	-
Balance at the end of period		16,500,415	38,775,047	2,540,782	57,816,244
2015					
Balance at the end of previous reporting period		14,012,076	39,265,004	2,548,239	55,825,319
a. Net Surplus / (Deficit) for Year		1,796,247	-	-	1,796,247
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(489,957)	-	(489,957)
Other Comprehensive Income		-	(489,957)	-	(489,957)
Total Comprehensive Income		1,796,247	(489,957)	-	1,306,290
c. Transfers between Reserves		(214,017)	-	214,017	-
Balance at the end of period		15,594,306	38,775,047	2,762,256	57,131,609

The Flinders Ranges Council

Statement of Cash Flows

for the year ended 30 June 2016

\$	Notes	2016	2015
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		4,477,511	5,482,169
Investment Receipts		95,035	95,900
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(4,340,600)	(3,425,090)
Finance Payments		(95,199)	(66,689)
Net Cash provided by (or used in) Operating Activities	11b	136,747	2,086,289
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,110,000	1,905,000
Sale of Replaced Assets		44,090	51,182
Repayments of Loans by Community Groups		5,932	3,809
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(376,329)	(205,667)
Expenditure on New/Upgraded Assets		(1,389,914)	(3,624,875)
Net Cash provided by (or used in) Investing Activities		(606,222)	(1,870,551)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		-	750,000
<u>Payments</u>			
Repayments of Borrowings		(158,479)	(130,039)
Net Cash provided by (or used in) Financing Activities		(158,479)	619,961
Net Increase (Decrease) in Cash Held		(627,954)	835,700
plus: Cash & Cash Equivalents at beginning of period	11	3,857,871	3,022,172
Cash & Cash Equivalents at end of period	11	3,229,917	3,857,871

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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n/a - not applicable

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Flinders Ranges Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 1 Seventh Street, Quorn SA 5433. 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.

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.

Grants Commission funds received in June for the next financial year have been consistently shown as income received in advance in the Financial Reports. Therefore neither the Financial Reports nor the Budget variances are distorted.

The actual amounts of untied grants received during the reporting periods are disclosed in Note 2.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

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

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000
Buildings - new construction/extensions	\$2,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$2,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$2,000
Reticulation extensions	\$2,000
Sidelines & household connections	\$2,000
Artworks	\$2,000

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. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

Plant, Furniture & Equipment

Office Equipment	3 to 5 years
Office Furniture	10 to 25 years
Vehicles and Road-making Equip	5 to 20 years
Other Plant & Equipment	5 to 50 years

Building & Other Structures

Buildings – masonry	25 to 100 years
Buildings – other construction	25 to 100 years
Park Structures – masonry	25 to 100 years
Park Structures – other construction	25 to 100 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

Infrastructure

Sealed Roads – Surface	15 years
Sealed Roads – Structure	100 years
Unsealed Roads	Not Depreciated (Interpretation 1055)
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	20 to 60 years
Drains	80 to 80 years
Culverts	60 years
Flood Control Structures	50 to 80 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	50 to 80 years
Reticulation Pipes – other	25 to 75 years

Other Assets

Library Books	10 to 15 years
Artworks	indefinite

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

8 Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Council does not make payment for untaken sick leave.

9.2 Superannuation

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

10 Provisions

10.1 Provisions for Reinstatement, Restoration and Rehabilitation

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

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

11 Leases

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

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.

12 Construction Contracts

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

revenue, the expected loss is recognised as an expense immediately.

13 Equity Accounted Council Businesses

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

14 GST Implications

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

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

15 New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

Not applicable to Local Government per se;

None

16 Comparative Figures

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

17 Disclaimer

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income

\$	Notes	2016	2015
(a). Rates Revenues			
General Rates			
General Rates		1,649,476	1,581,966
Less: Mandatory Rebates		(59,192)	(56,253)
Total General Rates		1,590,284	1,525,713
Other Rates (Including Service Charges)			
Natural Resource Management Levy		33,663	33,583
Waste Collection		203,065	231,615
Community Wastewater Management Systems		243,470	236,745
Total Other Rates		480,198	501,943
Other Charges			
Penalties for Late Payment		23,935	24,018
Total Other Charges		23,935	24,018
Less: Discretionary Rebates, Remissions & Write Offs		(6)	(706)
Total Rates Revenues		2,094,411	2,050,969
(b). Statutory Charges			
Development Act Fees		19,913	14,421
Health & Septic Tank Inspection Fees		214	4,569
Animal Registration Fees & Fines		12,430	12,630
Other Licences, Fees & Fines		3,695	3,277
Total Statutory Charges		36,252	34,897
(c). User Charges			
Cemetery/Crematoria Fees		16,979	18,768
Hall & Equipment Hire		7,347	9,854
Swimming Pools		34,050	25,086
Community Bus Hire		4,052	6,766
Waste Management		16,350	17,938
Airport Fees		527	216
Sundry		4,023	1,477
Total User Charges		83,328	80,106

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

\$	Notes	2016	2015
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		92,620	92,966
- Banks & Other		2,415	2,154
- Loans to Community Groups		-	780
Total Investment Income		95,035	95,900
(e). Reimbursements			
Private Works		686	11,345
Shared Services Fees		6,941	73,444
Other		73,852	19,217
Total Reimbursements		81,479	104,006
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		22,292	32,410
Rebates Received		24,001	23,096
Commercial Income		17,267	11,888
Donations		6,495	7,295
Sundry		63,136	78,107
Outback Community Authority		15,062	16,238
FRVIC		238,039	218,989
Total Other Income		386,292	388,024
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,110,000	1,905,000
Other Grants, Subsidies and Contributions		1,584,685	1,620,397
Total Grants, Subsidies, Contributions		2,694,685	3,525,397

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

\$	Notes	2016	2015
(ga). AASB1004 Recognition - Grants, Subsidies, Contribution			
Amounts Received Specifically for New or Upgraded Assets - AASB1004 adjustment		565,000	-
Other Grants, Subsidies and Contributions - AASB1004 adjustment		(777,546)	777,546
Total Grants, Subsidies, Contributions - AASB1004 adjustments		(212,546)	777,546
AASB1004 adjusted Total Grants, Subsidies, Contributions		2,482,139	4,302,943
The functions to which these grants relate are shown in Note 12.			
Sources of grants			
Commonwealth Government		2,613,592	3,159,504
State Government		81,093	354,500
Other		-	11,393
Total		2,694,685	3,525,397
AASB1004 adjusted Sources of grants			
Commonwealth Government		2,401,046	3,937,050
State Government		81,093	354,500
Other		-	11,393
Total		2,482,139	4,302,943

*In accordance with the Accounting Standard AASB 1004, not for profit entities must recognise a contribution immediately as revenue when it has control or the right to receive the contribution.

For this reason, the first instalment of the 2015-2016 Financial Assistance Grants, which was receipted by the Council in June 2015, must be recognised as revenue in the 2014-2015 financial year, and the Special Local Roads funding received but not expended during 2015-2016 must be recorded as revenue in the 2015-2016 financial year. The impact of these adjustments is illustrated above.

As a result of the above, the Council's operating surplus / (deficit) and total comprehensive income have been restated on the Statement of Comprehensive Income.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

\$	Notes	2016	2015
(h). 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		88,490	106,050
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Heritage & Cultural Services		(88,490)	(945,560)
Subtotal		(88,490)	(945,560)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Heritage & Cultural Services		-	928,000
Subtotal		-	928,000
Unexpended at the close of this reporting period		-	88,490
Net increase (decrease) in assets subject to conditions in the current reporting period		(88,490)	(17,560)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 3. Expenses

\$	Notes	2016	2015
(a). Employee Costs			
Salaries and Wages		1,281,310	1,363,540
Employee Leave Expense		35,006	108,725
Superannuation - Defined Contribution Plan Contributions	18	105,555	46,186
Superannuation - Defined Benefit Plan Contributions	18	-	74,178
Workers' Compensation Payments		1,689	16,952
Workers Compensation Insurance		-	80,404
Less: Capitalised and Distributed Costs		(191,217)	(163,865)
Total Operating Employee Costs		1,232,343	1,526,121
Total Number of Employees (full time equivalent at end of reporting period)		19	20
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		30,102	8,500
Bad and Doubtful Debts		366	-
Elected Members' Expenses		80,058	81,702
Election Expenses		463	7,202
Subtotal - Prescribed Expenses		110,988	97,403
(ii) Other Materials, Contracts and Expenses			
Contractors		731,488	414,453
Energy - Fuel & Power		77,942	107,162
Individually Significant Items		65,555	79,642
Legal Expenses		36,279	52,133
Levies Paid to Government - NRM levy		33,957	33,587
Levies - Other		3,856	4,089
Parts, Accessories & Consumables		42,876	56,883
Professional Services		36,041	6,304
Sundry		283,673	338,282
Waste Management		204,050	245,631
Insurance		124,328	115,474
Vehicle Maintenance		142,221	99,560
FBT		9,006	20,016
FRVIC		207,872	209,254
Workers Compensation Insurance		100,958	-
Quorn Swimming Pool Contract		-	1,603,955
Rubble / Crushed Rock		-	212,273
Road Construction & Maintenance		1,111,234	1,246,292
CWMS		54,375	-
Building Upgrades		21,344	-
Less: Capitalised and Distributed Costs		(1,186,953)	(3,421,938)
Subtotal - Other Material, Contracts & Expenses		2,100,101	1,423,051
Total Materials, Contracts and Other Expenses		2,211,089	1,520,454
(iii) Individually significant items			
Flood Damage Repairs (Own Funds - No State Government Support)		65,555	79,642

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 3. Expenses (continued)

\$	Notes	2016	2015
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land & Buildings		629,549	651,687
Infrastructure		370,728	421,112
- CWMS		61,379	61,379
Plant & Equipment		149,543	157,033
Furniture & Fittings		19,898	34,566
Minor Plant		9,518	11,052
Subtotal		1,240,615	1,336,829
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		1,240,615	1,336,829
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		-	97
Interest on Loans		92,840	94,609
Total Finance Costs		92,840	94,707

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment			
Assets Renewed or Directly Replaced			
Proceeds from Disposal		(9,959)	51,182
Less: Carrying Amount of Assets Sold		-	(56,122)
Gain (Loss) on Disposal		(9,959)	(4,940)
Net Gain (Loss) on Disposal or Revaluation of Assets		(9,959)	(4,940)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 5. Current Assets

\$	Notes	2016	2015
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		(18,386)	44,169
Deposits at Call		498,303	1,563,702
Short Term Deposits & Bills, etc.		2,750,000	2,250,000
Total Cash & Cash Equivalents		3,229,917	3,857,871
(b). Trade & Other Receivables			
Rates - General & Other		276,762	253,824
Accrued Interest		20,398	20,766
Debtors - General		67,274	63,142
GST Recoupment		-	32,858
Prepayments		-	12,500
Loans to Community Organisations		-	3,891
Other		3,677	798
Total Trade & Other Receivables		368,111	387,779
(c). Inventories			
Stores & Materials		495,566	238,495
Trading Stock		49,203	52,268
Total Inventories		544,769	290,763

Note 6. Non-Current Assets

(a). Financial Assets			
Receivables			
Loans to Community Organisations		-	2,041
Total Receivables		-	2,041
Total Financial Assets		-	2,041
(b). Other Non-Current Assets			
Other		49,291	-
Total Other Non-Current Assets		49,291	-

The Flinders Ranges Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

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

\$	Fair Value Level	as at 30/6/2015					Asset Movements during the Reporting Period						as at 30/6/2016				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Reversal (via P/L)	Revaluation Decrements to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals							Dep'n	Impairment	
Land & Buildings	3	29,155,892	-	11,002,105	-	18,153,787	87,462	66,798	-	(629,549)	-	-	29,310,153	-	11,631,654	-	17,678,499
Infrastructure	3	38,308,146	-	4,836,448	-	33,471,698	1,302,452	-	-	(370,728)	-	-	39,610,598	-	5,207,176	-	34,403,422
- CWMS	3	3,791,218	-	1,010,350	-	2,780,868	-	54,375	-	(61,379)	-	-	3,845,593	-	1,071,729	-	2,773,864
Plant & Equipment	3	2,708,711	-	1,255,612	-	1,453,099	-	241,796	(54,050)	(149,543)	-	-	2,833,007	-	1,341,705	-	1,491,302
Furniture & Fittings	3	539,628	-	266,541	-	273,087	-	13,360	-	(19,898)	-	-	552,989	-	286,439	-	266,550
Minor Plant	3	141,562	-	87,777	-	53,785	-	-	-	(9,518)	-	-	141,562	-	97,295	-	44,267
Total Infrastructure, Property, Plant & Equipment		74,645,157	-	18,458,833	-	56,186,324	1,389,914	376,329	(54,050)	(1,240,615)	-	-	76,293,901	-	19,635,998	-	56,657,903
Comparatives		72,540,674	-	18,301,984	-	54,238,690	3,624,873	205,667	(56,122)	(1,336,829)	489,957	(489,957)	74,645,157	-	18,458,833	-	56,186,324

Note 7a (ii). Investment Property

Nil

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$

Valuation of Assets (continued)

Other Information

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 addition at cost, this remains as the basis of recognition of non-material asset classes.

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

Highest and best use

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

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

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

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

Transition to AASB 13 - Fair Value Measurement

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

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$

Valuation of Assets (continued)

Plant, Furniture & Equipment

Pursuant to Council's election, these assets are recognised on the cost basis, deriving from a valuation at 01 July 2013 at current replacement cost. Additions are recognised at cost.

Land, Land Improvements, Buildings & Other Structures

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.

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised on the cost basis, deriving from a valuation at 01 July 2013 at current replacement cost. Additions are recognised at cost. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, deriving from a valuation at 01 July 2013 at current replacement cost. Additions are recognised at cost.

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

Pursuant to Council's election, buildings and other structures are recognised on the cost basis, deriving from a valuation at 01 July 2013 at current replacement cost. Additions are recognised at cost.

Infrastructure

Transportation assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2013 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Maloney's as at 01 July 2013 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2013 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2013 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

All other Assets

Pursuant to Council's election, these assets are recognised on the cost basis, deriving from a valuation at 01 July 2013 at current replacement cost. Additions are recognised at cost.

Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 8. Liabilities

		2016	2016	2015	2015
\$	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		531	-	39,521	-
Payments Received in Advance		621,738	-	778,980	-
Accrued Expenses - Employee Entitlements		-	-	32,805	-
Accrued Expenses - Finance Costs		25,658	-	28,017	-
Accrued Expenses - Other		117,574	-	117,960	-
Other		-	-	88,490	-
Total Trade and Other Payables		765,501	-	1,085,772	-

(b). Borrowings

Loans	195,966	1,307,088	206,467	1,455,066
Total Borrowings	195,966	1,307,088	206,467	1,455,066

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

(c). Provisions

Employee Entitlements (including oncosts)	278,382	44,008	371,010	43,641
Future Reinstatement / Restoration, etc	431,212	-	431,212	-
Other	11,590	-	-	-
Total Provisions	721,185	44,008	802,222	43,641

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 9. Reserves

\$	1/7/2015	Increments (Decrements)	Transfers	Impairments	30/6/2016
(a). Asset Revaluation Reserve					
Land & Buildings	11,438,852	-	-	-	11,438,852
Infrastructure	17,780,217	-	-	-	17,780,217
- CWMS	768,432	-	-	-	768,432
Plant & Equipment	(67,043)	-	-	-	(67,043)
Furniture & Fittings	125,382	-	-	-	125,382
Minor Plant	60,193	-	-	-	60,193
Other Assets	8,669,014	-	-	-	8,669,014
Total Asset Revaluation Reserve	38,775,047	-	-	-	38,775,047
Comparatives	39,265,004	(489,957)	-	-	38,775,047

\$	1/7/2015	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2016
(b). Other Reserves					
NRM Levy	523	11	(304)	-	230
Land & Buildings	80,000	20,000	-	-	100,000
Plant Replacement	75,000	1,130	(76,130)	-	-
Other	1,077,204	16,232	(41,188)	-	1,052,248
Garbage Service Charge	72,191	48,140	-	-	120,331
Stormwater Dams	2,000	42	(42)	-	2,000
Community Trust Funds	20,810	2,062	(1,351)	-	21,521
Hawker CWMS Service Charge	168,412	3,549	(11,170)	-	160,791
Quorn CWMS Service Charge	1,049,116	22,111	(35,828)	-	1,035,399
Roads	170,000	2,562	(172,562)	-	-
Community Buses	47,000	1,262	-	-	48,262
Total Other Reserves	2,762,256	117,101	(338,575)	-	2,540,782
Comparatives	2,548,239	858,092	(644,074)	(1)	2,762,256

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 10. Assets Subject to Restrictions

\$	Notes	2016	2015
<p>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.</p>			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
CWMS Annual Service Charge		1,196,190	1,217,528
Garbage Annual Service Charge		120,331	72,191
NRM Levy		230	523
Unexpended Grant funds		-	88,490
Employee Entitlements		322,390	414,650
Total Cash & Financial Assets		1,639,141	1,793,382
Total Assets Subject to Externally Imposed Restrictions		1,639,141	1,793,382

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2016	2015
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	3,229,917	3,857,871
Less: Short-Term Borrowings	8	-	-
Balances per Statement of Cash Flows		3,229,917	3,857,871

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

Net Surplus/(Deficit)		684,635	1,796,247
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,240,615	1,336,829
Net Increase/(Decrease) in Unpaid Employee Benefits		(92,261)	37,901
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,110,000)	(1,905,000)
Net (Gain) Loss on Disposals		9,959	4,940
		732,948	1,270,916
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		15,776	(73,931)
Net (Increase)/Decrease in Inventories		(254,006)	312,159
Net (Increase)/Decrease in Other Current Assets		(49,291)	-
Net Increase/(Decrease) in Trade & Other Payables		(320,271)	577,143
Net Increase/(Decrease) in Other Provisions		11,590	1
Net Cash provided by (or used in) operations		136,747	2,086,289

(c). Financing Arrangements

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

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	8,000	8,000
LGFA Cash Advance Debenture Facility	1,000,000	1,000,000

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2016

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
\$										
Administration	2,914,047	2,871,536	255,508	342,549	2,658,539	2,528,987	1,218,241	1,226,353	-	-
Public Order & Health	1,675	1,288	35,621	45,358	(33,946)	(44,070)	-	3,000	-	-
Social Security & Welfare	6,563	14,845	25,886	38,431	(19,323)	(23,586)	-	-	-	-
Community Amenities	480,773	505,066	824,983	921,184	(344,210)	(416,118)	909	-	-	-
Recreation & Culture	71,100	136,099	1,260,560	1,165,243	(1,189,460)	(1,029,144)	1,112	79,667	-	-
Agricultural Services	37,685	38,439	41,234	39,295	(3,549)	(856)	4,022	4,856	-	-
Regulatory Services	39,953	95,719	186,149	108,701	(146,196)	(12,982)	-	-	-	-
Transport & Communication	304,857	319,916	1,078,379	1,246,292	(773,522)	(926,376)	304,857	293,484	-	-
Economic Development	240,098	225,580	450,967	425,800	(210,869)	(200,220)	-	2,500	-	-
Not Elsewhere Classified	264,730	165,810	428,314	100,236	(163,584)	65,574	55,544	10,537	-	-
Works Overheads	-	-	189,286	45,022	(189,286)	(45,022)	-	-	-	-
Other Functions/Activities	-	-	-	-	-	-	-	-	60,849,991	60,724,777
Total Functions/Activities	4,361,481	4,374,298	4,776,887	4,478,111	(415,406)	(103,813)	1,584,685	1,620,397	60,849,991	60,724,777

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 12b. Components of Functions

\$

The activities relating to Council functions are as follows:

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.

PUBLIC ORDER & HEALTH

Immunisation, Fire Protection, Vandalism, ESL, SES/CFS support

SOCIAL SECURITY & WELFARE

Northern Passenger Transport Scheme, Youth Advisory Council, Youth programs, Community Buses, Aged Homes support, Hospitals support, Community support programs

COMMUNITY AMENITIES

Waste collection and disposal, Cemeteries/Crematoria, Public Conveniences, Street Cleaning, Heritage Advisor, CWMS

RECREATION & CULTURE

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation. Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services, Civic & community Halls

AGRICULTURAL SERVICES

NRM Levy, Corella Control, Animal & Pest Plant expenditure

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

Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), Drainage, Signs, guide posts, line marking

ECONOMIC DEVELOPMENT

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development, VIC, Art & craft Shop

NOT ELSEWHERE CLASSIFIED (NEC)

Airstrips, shared services, advertising signs, private works, interest, Natural Disaster Mitigation

WORKS - INDIRECT

Depots, Machinery maintenance & operating costs, minor plant, WHS, signage, training,

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments

\$

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 2% and 3% (2015: 2% and 3%). Short term deposits have an average maturity of 30 days and an average interest rate of 2.0% (2015: 30 days and 2.3%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

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

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.5833% (2015: 0.6042%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

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

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.55% and 6.65% (2015: 4.55% and 6.65%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
\$					
2016					
Financial Assets					
Cash & Equivalents	3,229,917	-	-	3,229,917	3,229,917
Receivables	91,350	-	-	91,350	91,350
Total Financial Assets	3,321,267	-	-	3,321,267	3,321,267

Financial Liabilities					
Payables	26,190	-	-	26,190	26,190
Current Borrowings	195,966	-	-	195,966	195,966
Non-Current Borrowings	-	1,307,088	-	1,307,088	1,307,088
Total Financial Liabilities	222,156	1,307,088	-	1,529,244	1,529,244

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
\$					
2015					
Financial Assets					
Cash & Equivalents	3,857,871	-	-	3,857,871	3,857,871
Receivables	350,655	-	-	350,655	383,513
Other Financial Assets	3,434	2,873	-	6,307	6,307
Total Financial Assets	4,211,960	2,873	-	4,214,833	4,247,691

Financial Liabilities					
Payables	1,052,914	-	-	1,052,914	1,085,232
Current Borrowings	206,467	-	-	206,467	206,467
Non-Current Borrowings	-	1,455,065	-	1,455,065	1,455,066
Total Financial Liabilities	1,259,381	1,455,065	-	2,714,446	2,746,765

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

	30 June 2016		30 June 2015	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.90%	1,503,054	5.90%	1,661,533
		1,503,054		1,661,533

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.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$

Notes

2016

2015

(a). Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	76,000	-
Employee Remuneration Contracts	576,000	1,053,722
	652,000	1,053,722

These expenditures are payable:

Not later than one year	307,000	435,806
Later than one year and not later than 5 years	345,000	617,916
Later than 5 years	-	-
	652,000	1,053,722

(b). Finance Lease Commitments

Council has no Finance Leases.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$	2016	2016	2015	2014

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	(415,406)	(10%)	(2%)	(3%)
Total Operating Revenue	4,361,481			

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

1a. Adjusted Operating Surplus Ratio

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.	(1,192,952)	(33%)	13%	(3%)
	3,583,935			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(564,280)	(13%)	(15%)	(23%)
Total Operating Revenue	4,361,481			

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.

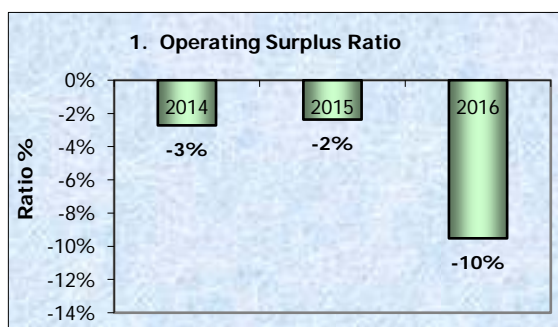
3. Asset Sustainability Ratio

Net Asset Renewals	332,240	27%	12%	66%
Infrastructure & Asset Management Plan required expenditure	1,240,615			

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

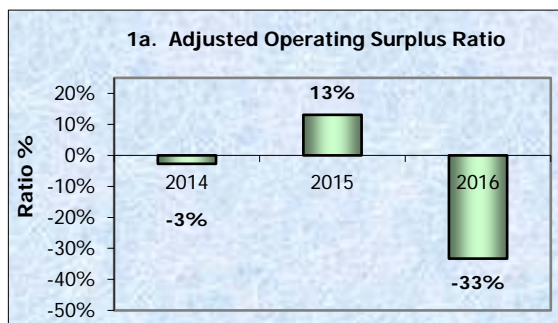
Note 15. Financial Indicators - Graphs (continued)



Purpose of Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

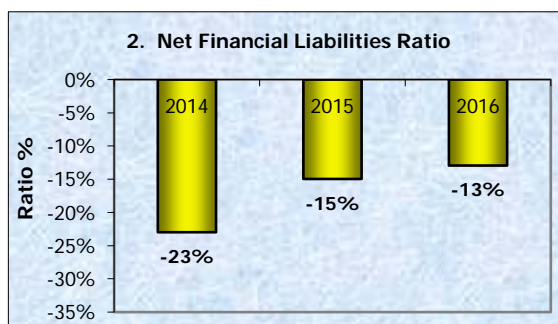
2015/16 Ratio -10%



Purpose of Adjusted Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

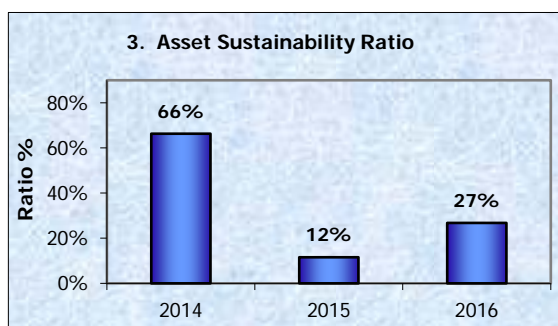
2015/16 Ratio -33%



Purpose of Net Financial Liabilities Ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

2015/16 Ratio -13%



Purpose of Asset Sustainability Ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

2015/16 Ratio 27%

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 16. Uniform Presentation of Finances

\$	2016	2015
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	4,361,481	4,374,298
less Expenses	(4,776,887)	(4,478,110)
Operating Surplus / (Deficit)	(415,406)	(103,812)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	376,329	205,667
less Depreciation, Amortisation and Impairment	(1,240,615)	(1,336,829)
less Proceeds from Sale of Replaced Assets	(44,090)	(51,182)
Subtotal	(908,376)	(1,182,344)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	1,389,914	3,624,873
less Amounts Received Specifically for New and Upgraded Assets	(1,110,000)	(1,905,000)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	279,914	1,719,873
Net Lending / (Borrowing) for Financial Year	213,056	(641,341)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 17. Operating Leases

\$	2016	2015
----	------	------

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.

(i) 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

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

Not later than one year	4,000	4,000
Later than one year and not later than 5 years	16,000	16,000
Later than 5 years	4,000	8,000
	<u>24,000</u>	<u>28,000</u>

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 18. Superannuation

\$

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

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

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

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

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

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.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2016

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 & is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1262 km of road reserves of average width 8 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$49,291 (2015: \$5,932) at reporting date.

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

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of no 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.

Note 20. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2016, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 08/11/16.

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 21. Reconciliation of Grants Received

\$	Notes	Opening Balance	Movements Received	Expended	Closing Balance
Grants					
General Purpose - Commonwealth					
Grants Commission Grant - General Purpose		-	1,218,241	(1,218,241)	-
Grants Commission Grant - Local Roads		-	290,351	(290,351)	-
Total General Purpose Grants		-	1,508,592	(1,508,592)	-
Specific Purpose					
Quorn Pool Upgrade		-	5,000	(5,000)	-
Water Security Plan		14,505	-	(14,505)	-
Libraries		-	1,112	(1,112)	-
Corella Management Plan		4,022	-	(4,022)	-
Security Cameras		36,212	-	(36,212)	-
Video Conferencing		33,751	-	(33,751)	-
KEB Recycle Bins		-	909	(909)	-
Total Specific Purpose Grants		88,490	7,021	(95,511)	-
Total Other Grants		88,490	1,515,613	(1,604,103)	-
Comparatives		106,050	3,507,837	(3,525,397)	88,490
Grants Specifically for New/Upgraded Assets					
Specific Purpose					
Roads to Recovery		-	1,105,000	(1,105,000)	-
Total Grants Specifically for New/Upgraded Assets		-	1,105,000	(1,105,000)	-
Comparatives		-	1,060,000	(1,060,000)	-
Recognised as revenue in advance of expenditure		-			-
Current receivable - Other levels of Government	5	-			-
		-			-

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2016

Note 22. Material Budget Variations

\$

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

Note that for Variations* of Budget to Actual :

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

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$	2016 Budget	2016 Actual	2016 Variance* -----		
REVENUES					
Rates Revenues	2,128,100	2,094,411	(33,689)	(2%)	U
Statutory Charges	32,100	36,252	4,152	13%	F
Full-time General Inspector appointed which increased compliance					
User Charges	79,800	83,328	3,528	4%	F
Grants, Subsidies & Contributions	1,803,400	1,584,685	(218,715)	(12%)	U
Grant for Warren Gorge and Skate Parks not successful - offset by expense not being paid.					
Investment Income	74,100	95,035	20,935	28%	F
Cash flow improved due to funds allocated for Council share of grant projects not being spent.					
Reimbursements	64,200	81,479	17,279	27%	F
Additional rebates paid by LGAWCS, LGAMLS & LGAAMF					
Other Income	55,700	386,292	330,592	594%	F
Commercial income from FRVIC					
EXPENSES					
Employee Costs	1,500,300	1,232,343	(267,957)	(18%)	U
Personnel lost through natural attrition were not replaced pending shared service arrangements with PACC					
Materials, Contracts & Other Expenses	2,438,100	2,211,089	(227,011)	(9%)	U
Depreciation, Amortisation & Impairment	1,314,400	1,240,615	(73,785)	(6%)	U
Finance Costs	99,000	92,840	(6,160)	(6%)	U
CAPITAL REVENUES / EXPENSES					
Asset Disposal & Fair Value Adjustments	-	(9,959)	(9,959)	0%	U
Amounts Received for New/Upgraded Assets	893,300	1,110,000	216,700	24%	F
Additional monies received from RTR due to recovery of additional costs					

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 23. Financial Commentary & Review

\$

Key Financial Figures of Council over the past 5 years

Financial Performance Figures	2016	2015	2014	2013	2012
Inflows:					
Rates	2,094,411	2,050,969	1,894,640	1,750,311	1,585,520
Statutory Charges	36,252	34,897	33,001	40,092	32,137
User Charges	83,328	80,106	77,138	75,179	74,563
Grants, Subsidies & Contributions	1,584,685	1,620,397	1,729,589	1,594,883	2,220,024
Investment Income	95,035	95,900	113,427	132,601	182,113
Total Income from Continuing Operations	4,361,481	4,374,298	4,280,814	4,070,512	4,571,995
Sale Proceeds from I,PP&E	1,154,090	1,956,182	1,128,636	868,907	1,670,868
New Loan Borrowings & Advances	-	750,000	-	-	-
Outflows:					
Employee Costs	1,232,343	1,526,121	1,446,585	1,338,917	1,272,064
Materials, Contracts & Other Expenses	2,211,089	1,520,454	1,604,679	1,787,657	1,600,366
Finance Costs	92,840	94,707	77,864	81,275	83,948
Total Expenses from Continuing Operations	4,776,887	4,478,110	4,397,368	4,059,810	3,752,479
Total Cash purchases of I,PP&E	(1,766,243)	(3,830,542)	(2,318,666)	(1,561,768)	(2,510,987)
Total Loan Repayments (incl. Finance Leases)	(158,479)	(130,039)	(58,520)	(57,866)	(69,203)
Operating Surplus/(Deficit) (excl. Capital Income)	(415,406)	(103,813)	(116,554)	10,702	819,516
Financial Position Figures	2016	2015	2014	2013	2012
Current Assets	4,142,797	4,536,412	3,938,316	4,633,943	4,432,184
Current Liabilities	1,682,652	2,094,461	1,332,745	1,944,974	1,858,373
Net Current Assets	2,460,145	2,441,952	2,605,571	2,688,969	2,573,811
Cash & Investments	3,229,917	3,857,871	3,022,172	3,818,974	3,867,328
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,503,054	1,661,533	1,041,572	1,100,092	1,157,958
Total Value of I,PP&E (excl. Land & Land Imp'ts)	76,293,901	74,645,157	72,540,674	61,588,449	59,892,867
Total Accumulated Depreciation	19,635,998	18,458,833	18,301,984	16,159,791	15,345,510
Indicative Remaining Useful Life (as a % of GBV)	74%	75%	75%	74%	74%

Source: Published audited financial statements of Council (current year & prior year)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 24. Council Information & Contact Details

Principal Place of Business:

1 Seventh Street
QUORN SA 5433

Contact Details

Mailing Address:

PO Box 43
QUORN SA 5433

Opening Hours:

Monday to Friday - 9:00am to 5:00pm
Saturday & Sunday - Closed
Public Holidays - Closed

Telephone: 08 8620 0500

Internet: www.frc.sa.gov.au

Email: council@frc.sa.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Colin Davies

PUBLIC OFFICER

Colin Davies

AUDITORS

Galpins Accountants, Auditors and Business Consultants
PO Box 4067, Norwood South SA 5067

Elected Members

MAYOR

Peter Slattery

COUNCILLORS

Cr Ken Anderson
Cr Mopsy Daniel
Cr Nicole Downing
Cr Greg Flint
Cr Julian Hipwell
Cr Scott Reubenicht
Cr Clinton Ryks-Jones
Cr Garry Thompson

Other Information

ABN: 43 952 255 151



Accountants, Auditors
& Business Consultants

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CPA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THE FLINDERS RANGES COUNCIL

Report on the Financial Report

We have audited the accompanying financial report of the Flinders Ranges Council, which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Flinders Ranges Council.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Council's preparation of the financial report that gives a true and fair view 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 Council, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Audit Opinion

In our opinion, the financial report of the Flinders Ranges Council for the year ended 30 June 2016 is properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the Council's state of affairs as at 30 June 2016 and its operating result and cash flows for the year ended on that date; and
 - (ii) the other matters required by Division IV of the Local Government Act 1999 to be dealt with in the accounts;
- (b) in accordance with the provisions of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler, CA Registered Company Auditor
Partner

08/11/2016



Accountants, Auditors
& Business Consultants

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THE FLINDERS RANGES COUNCIL

Independent Assurance Report on the Internal Controls of the Flinders Ranges Council

We have audited the compliance of the Flinders Ranges Council (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

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

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitation on Use

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

Limitations of Controls

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

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

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Flinders Ranges Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler, CA Registered Company Auditor
Partner

08/11/2016

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2016

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Flinders Ranges Council for the year ended 30 June 2016, the Council's Auditor, Galpins Accountants, Auditors and Business Consultants 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*.



Colin Davies
CHIEF EXECUTIVE OFFICER



Richard Perkins
PRESIDING MEMBER, AUDIT COMMITTEE

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2016

Statement by Auditor

I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2016, 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*.



Tim Muhlhausler
Galpins Accountants, Auditors and Business Consultants

Dated this 8th day of November 2016.



Central

Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

Annual Report for 2015 – 2016

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
Yorke Peninsula Council*

Contact Details

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Website:

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 Orreroo/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 | • Yorke Peninsula Council |
| • 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 2015/16

Chairman:

Mayor Peter Matthey (Goyder)

Deputy Chairs:

Mayor Sandra Wauchope (Mount Remarkable)
Mayor Allan Aughey (Clare & Gilbert Valleys)

Executive Members:

Mayor Rodney Reid (Wakefield)
Mayor Paul Thomas (Copper Coast)

**Delegate to the LGA Board
representing the Central
Region of the LGA
Constitution:**

Mayor Denis Clark (Northern Areas) LGA Board Member
Mayor Ray Agnew (Yorke Peninsula) LGA Board Member
Mayor Peter Matthey (Goyder) LGA Deputy Board Member

Chief Executive Officer:

Mr Paul McInerney
(Interim Executive Officer and Outreach Services Project until
December 2015)
Mr David J. Stevenson (from December 2015)

Auditor:

Mr Ian G. McDonald FCA

Central Local Government Region Board of Management

Each Constituent Council may appoint one elected member as delegate to be a Board Member. A proxy delegate is also appointed, with provisions allowing for representation by other elected or endorsed members.

Constituent Councils have appointed the following delegates and proxy delegates to the Board of Management:

Council	Delegate	Proxy Delegate
The Barossa Council	Mayor Bob Sloane	
District Council of Barunga West	Mayor Cynthia Axford	Deputy Mayor Dean Dolling
District Council of the Copper Coast	Mayor Paul Thomas	Deputy Mayor Roslyn Talbot
Clare & Gilbert Valleys Council	Mayor Allan Aughey	Cr Ian Burfitt
Flinders Ranges Council	Mayor Peter Slattery	Deputy Mayor Ken Anderson
Regional Council of Goyder	Mayor Peter Matthey	Deputy Mayor Jane Kellock
Light Regional Council	Mayor Bill O'Brien	Cr Lynette Reichstein
District Council of Mallala	Mayor Duncan Kennington (to 27 November) Mayor Tony Flaherty (from 7 March 2016)	Deputy Mayor Marcus Strudwicke
District Council of Mount Remarkable	Mayor Sandra Wauchope	Deputy Mayor Colin Nottle
Northern Areas Council	Mayor Denis Clark	Deputy Mayor Merv Robinson
District Council of Orroroo Carrieton	Chair Kathy Bowman	Deputy Chair Grant Chapman
District Council of Peterborough	Mayor Ruth Whittle	Cr Frank Hardbottle
Port Pirie Regional Council	Cr Neville Wilson (to August 2015) Mayor John Rohde (from August 2015)	Cr Neville Wilson
Wakefield Regional Council	Mayor Rodney Reid	Deputy Mayor Darryl Ottens
Yorke Peninsula Council	Mayor Ray Agnew	Cr John Rich

Meetings of the Central Region Board of Management

The following meetings of the Board of Management were held during the 2015/16 year:

- Special Meeting 3rd July, 2015
- Annual General Meeting 21st August, 2015
- Special Meeting 31st August, 2015
- Special Meeting 9th September, 2015
- Special Meeting 25th September, 2015
- Ordinary Meeting 20th November, 2015
- Ordinary Meeting 19th February, 2016
- Ordinary Meeting 13th May, 2016

Committee Meetings

In accordance with its Charter, the Board of Management has five committees

Committee	Members	Meeting Dates
Executive Committee:	<ul style="list-style-type: none"> • Mayor Peter Matthey (Chair) • Mayor Allan Aughey • Mayor Sandra Wauchope • Mayor Rodney Reid • Mayor Paul Thomas 	
Audit Committee:	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Mayor Kathie Bowman • Dr Andrew Johnson • Mr Colin Davies 	Exemption granted by the Minister for Local Government until 30 th June, 2016
Management Group Meetings:	<ul style="list-style-type: none"> • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr Roy Blight (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr John Brak (Goyder) • Mr Richard Michael (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Colin Byles (Northern Areas) • Mr Stephen Rufus (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson (Pirie Regional) • Ms Cate Atkinson then Mr Christopher Parish (Wakefield) • Mr Andrew Cameron (Yorke Peninsula) 	11 th December, 2015 5 th February, 2016 1 st April, 2016
Transport & Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • Mr David Hassett (Chair – Wakefield) • Mr Fred Linke (Barunga West) • Mr Steve Kaesler (Barossa) • Ms Joanne Buchanan (RD&MN) • Mr Kieren Chappell (Light) • Mr Colin Davies (Flinders Ranges) 	22 nd April, 2016
Regional Climate Change Steering Committee:	<ul style="list-style-type: none"> • Mr Paul McInerney (Interim Executive Officer until December 2014) • Mr David Stevenson (Chief Executive Officer from December 2015) • Ms Kelly-Anne Saffin (RD&MN) • Mr Dylan Strong (N&Y NRM Board) 	26 th October, 2015 14 th December, 2015 6 th April, 2016 17 th June, 2016

Achievements for 2015/16

During the year, there was continued progress against a number of priority activities.

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 2015/16

- Committees that operated under the Charter all conducted their operations within their terms of reference.
- Interim Executive support was provided to ensure a smooth implementation of the Future Directions Review Transition Management Planning.
- Appointment of a new Chief Executive Officer in December 2015.
- Adoption of the 2016/17 Business Plan and Budget.
- Review the procurement roadmap work completed by ArcBlue under the Future Directions Review.
- Acquittals to the Local Government Research and Development Scheme SA were completed. Projects included the strategic procurement risk management compliance governance and reporting model. Also the
- Development and the recommendation by the Board of Management to members of a new Charter.
- Conduct the election of board members for Regional Development Australia Yorke and Mid North.

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 2015/16

- LGA Outreach Services – this Pilot Project was funded by the Local Government Association SA. The project commenced in January 2014 and finished in January 2016. In addition to the Future Directions Review the Outreach Services pilot project enabled the Interim Executive Officer to oversee a continuum of the procurement preparatory work.
- Crown Lands Red Tape Reduction between Local and State Governments is an ongoing matter.
- Attendance by Local Government Association (LGA) and Office of Local Government (OLG) at Central Region quarterly meetings.
- Communications with LGA and Office of Local Government staff as required.
- Complete the transition for the Council Chief Executive Officer meetings into Management Group Meetings.
- Regional representation at SA Regional Organisation of Councils (SAROC) and LGA Board meetings.
- Attendance at Local Government Association SA ordinary meetings and forums in Adelaide.
- Attendance by Councils Mayors and Chief Executives at the Local Government Association SA Presidents Show Case in Adelaide.
- Communication and meetings/workshops 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.
- Website updated with Agenda, Minutes, Future Directions Review Final Report.
- The new "royalty on rubble" introduced by the State Government paid by local government when raising rubble to maintain vital local roads and infrastructure will continued to be pursued as a major issue for the region and other regional SA Councils.

- The region continues to monitor and is expecting to elevate the concerns Council members have for Community Passenger Networks across the region. The region has legitimate concerns about the ongoing funding arrangements and therefore viability of the services. Ongoing discussion with the Department for Communities and Social Inclusion along with the Federal Government as it rolls out the National Disability Scheme will remain an ongoing major issue.
- A detailed submission to the Regional Health Services Inquiry resulted in the Social Development Committee secretariat recommending our concerns be raised directly with Country Heath SA.

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 2015/16

Regional Identity, Planning & Cohesion

- Regional Strategic Alliance meetings with Northern and Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDAY&MN) were recommenced in January 2016.
- Participation in meetings of RDAY&MN and Northern and Yorke Resource Management Executive Officers.
- Attendance at a number of Northern and Yorke Natural Resource Management Board meetings as a non-voting delegate.

Transport

- Convened the Central Region Transport Infrastructure Advisory Committee, for Special Local Roads Program purposes in April 2016.
- Assessment, inspection and regional submission to Special Local Roads program in accordance with LGA TAP Committee requirements.

Environment and Natural Resources

- Local Government representative attendance at various Regional NRM Board meetings by interim Executive Officer as a non-voting delegate under the YMN NRM Board constitution.
- YMN NRM Board advised of progress by CLGR of its Future Direction Review and investigation of Hunter Councils Inc. (NSW), Pilbara (WA) and Cradle Coast Authority (Tasmania) models.

Climate Change and Emergency Management

- Funding for the regional climate change coordinator to work across local government, regional development and Natural Resources Management. We participate in the Regional Alliance Climate Change with partners Regional Development Australia Yorke and Mid North (RDA) and Northern & Yorke Natural Resources Management Board (NRM).
- A two-year contract covering the Alliance for the Climate Change Coordinator concludes in 2017. This allows local government access to expertise in this specialised area and for sourcing of project funds for local government as opportunity arises.
- Ongoing development of Goyder's Line Sustainability Hub and research concept.
- Applying the NRM Planning for Climate Change to begin the update the Regional NRM Plan incorporating resilience thinking and adaptive management principles.
- Partnering in the Climate Change and Bushfire project to investigate the ability to model the impact of climate change on fire danger indexes in the region.
- Coordinated LG representation to Yorke/Mid North Zone Emergency Management committees (ZEMC).
- Ongoing participation in local, state and Australian Governments workshops and programs.

**CENTRAL LOCAL GOVERNMENT
REGION of SA Inc**



**Annual Financial
Statements**

For the financial year

July 1st 2015 – June 30th 2016

Central Local Government Region of SA Inc

General Purpose Financial Reports for the year ended 30 June 2016

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Central Local Government Region of SA Inc.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2016

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Region's financial position at 30 June 2016 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.



David J. Stevenson
Chief Executive Officer



Mayor Samuel Peter Matthey
President

Date:

19th August, 2016

Central Local Government Region of SA Inc

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Grants, subsidies and contributions	2	316,166	285,555
Investment income	2	13,869	18,419
Other income	2	154,140	193,714
Total Income		<u>484,175</u>	<u>497,688</u>
EXPENSES			
Employee costs	3	92,626	-
Materials, contracts & other expenses	3	264,741	796,701
Depreciation, amortisation & impairment	3	3,243	850
Total Expenses		<u>360,610</u>	<u>797,551</u>
OPERATING SURPLUS / (DEFICIT)		123,565	(299,863)
Asset disposal & fair value adjustments	4	-	(12,602)
NET SURPLUS / (DEFICIT)		123,565	(312,465)
transferred to Equity Statement			
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>123,565</u>	<u>(312,465)</u>

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

Central Local Government Region of SA Inc

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	556,783	541,825
Trade & other receivables	5	124,056	64,293
Total Current Assets		680,839	606,118
Non-current Assets			
Property, plant & equipment	7	30,110	-
Total Non-current Assets		30,110	-
Total Assets		710,949	606,118
LIABILITIES			
Current Liabilities			
Trade & other payables	8	18,928	43,877
Provisions	8	6,060	-
Total Current Liabilities		24,988	43,877
Non-current Liabilities			
Provisions	8	155	-
Total Non-current Liabilities		155	-
Total Liabilities		25,143	43,877
NET ASSETS		685,806	562,241
EQUITY			
Accumulated Surplus		113,143	68,145
Other Reserves	9	572,663	494,096
TOTAL EQUITY		685,806	562,241

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 2016

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2016	Notes	\$	\$	\$
Balance at end of previous reporting period		68,145	494,096	562,241
Net Surplus / (Deficit) for Year		123,565	-	123,565
Other Comprehensive Income				
Transfers between reserves	9	(78,567)	78,567	-
Balance at end of period		113,143	572,663	685,806

2015				
Balance at end of previous reporting period		25,212	849,494	874,706
Net Surplus / (Deficit) for Year		(312,465)	-	(312,465)
Other Comprehensive Income				
Transfers between reserves	9	355,398	(355,398)	-
Balance at end of period		68,145	494,096	562,241

Central Local Government Region of SA Inc

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		14,132	19,089
Grants utilised for operating purposes		224,444	438,015
Other revenues		217,562	96,095
<u>Payments</u>			
Employee costs		(81,342)	-
Materials, contracts & other expenses		(326,485)	(776,072)
Net Cash provided by (or used in) Operating Activities		48,311	(222,873)
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		-	15,455
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(33,353)	-
Net Cash provided by (or used in) Investing Activities		(33,353)	15,455
 CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		14,958	(207,418)
 Cash & cash equivalents at beginning of period	11	541,825	749,243
Cash & cash equivalents at end of period	11	556,783	541,825

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 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 9th August 2014.

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

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

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 Orreroo/Carrieton |
| 7. District Council of the Copper Coast | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. Yorke Peninsula Council, and |
| 15. District Council of Mallala. | |

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

1.3 Income recognition

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

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

1.4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

1.5 Property, Plant & Equipment

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

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

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

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Region, best reflects the consumption of the service potential embodied in those assets.

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

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

1.6 Payables

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

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

Employee Benefits

Salaries, Wages & Compensated Absences

The Region engaged the services of a Chief Executive Officer on the 7th December 2015 and as at 30th June 2016 the CEO is the only employee of the Region. 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	2.08% (2015, Nil%)
Weighted average settlement period	10 years (2015, Nil years)

No accrual is made for sick leave as the Region 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.

Superannuation

The Region contributes the statutory 9.5% SGC superannuation for the CEO to a Self-Managed Superannuation Fund.

GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Pending Accounting Standards

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

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

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.
(Standards not affecting local government have been excluded from the above list.)

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 2016

Note 2 - INCOME

	2016 \$	2015 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	13,795	18,312
Banks & other	74	107
	<u>13,869</u>	<u>18,419</u>
OTHER INCOME		
Council Contributions	154,140	152,460
Sundry	-	41,254
	<u>154,140</u>	<u>193,714</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	316,166	285,555
	<u>316,166</u>	<u>285,555</u>
Sources of grants		
Commonwealth government	-	39,954
State government	231,166	235,601
Other	85,000	10,000
	<u>316,166</u>	<u>285,555</u>
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>		
Unexpended at the close of the previous reporting period	143,003	516,994
Less: expended during the current period from revenues recognised in previous reporting periods		
P003-Waste Management	-	(15,635)
P009-Climate Change	-	(95,703)
P010-Windfarm Liaison	-	(27,593)
P015-Local Government Reform	(48,952)	-
P016-Upper Spencer Gulf RSP	-	(182,941)
P018-Policy Amendment Review	-	(30,000)
P019-Coastal Adaptation	-	(30,000)
P020-Risk Assessment	-	(30,000)
P022-Roads & Transport	(127)	(680)
P023-Outreach Collaboration Project	(52,923)	-
P024-Climate Change Co-ordinator 2015-17	(5,471)	-
Subtotal	<u>(107,473)</u>	<u>(412,552)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
A009-Special Projects	-	13,305
P023-Outreach Collaboration Project	-	256
P024-Climate Change Co-ordinator 2015-17	-	25,000
P025-Outreach Phase 2	50,000	-
P026-Strategic Procurement	31,100	-
P028-Regional Capacity Building	104,940	-
Subtotal	<u>186,040</u>	<u>38,561</u>
Unexpended at the close of this reporting period	<u>221,570</u>	<u>143,003</u>
Net increase (decrease) in assets subject to conditions in the current reporting period	<u>78,567</u>	<u>(373,991)</u>

Central Local Government Region of SA Inc

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

Note 3 - EXPENSES

	2016 \$	2015 \$
EMPLOYEE COSTS		
Salaries and Wages	75,887	-
Employee leave expense	6,217	-
Superannuation	7,209	-
Workers' Compensation Insurance	872	-
FBT	2,441	-
Total Operating Employee Costs	<u>92,626</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	1,683	1,650
Subtotal - Prescribed Expenses	<u>1,683</u>	<u>1,650</u>
 <u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	220,098	732,691
Legal Fees	8,639	-
Unleaded Fuel	3,410	9
Grants	-	25,000
Members Allowances & Support	6,024	4,176
Meetings & Conferences	3,175	5,064
Insurance	7,585	5,701
Rental - Premises	3,182	-
Advertising	2,093	-
Sundry	8,852	22,410
Subtotal - Other Materials, Contracts & Expenses	<u>263,058</u>	<u>795,051</u>
	<u>264,741</u>	<u>796,701</u>
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	3,243	850
	<u>3,243</u>	<u>850</u>

Central Local Government Region of SA Inc

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2016 \$	2015 \$
PROPERTY, PLANT & EQUIPMENT		
<i>Assets surplus to requirements</i>		
Proceeds from disposal	-	15,455
Less: Carrying amount of assets sold	-	28,057
Gain (Loss) on disposal	<u>-</u>	<u>(12,602)</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	21,879	20,979
Deposits at Call	<u>534,904</u>	<u>520,846</u>
	<u>556,783</u>	<u>541,825</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	2,610	2,873
Debtors - general	-	40,235
Other levels of Government	115,434	-
GST Recoupment	4,421	21,185
Prepayments	<u>1,591</u>	<u>-</u>
	<u>124,056</u>	<u>64,293</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

	Fair Value Level	2015 \$				2016 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - PROPERTY, PLANT & EQUIPMENT									
Motor Vehicle		-	-	-	-	-	33,353	(3,243)	30,110
Software		-	772	(772)	-	-	772	(772)	-
TOTAL PROPERTY, PLANT & EQUIPMENT		-	772	(772)	-	-	34,125	(4,015)	30,110
Comparatives		-	36,687	(7,780)	28,907	-	772	(772)	-

	2015	CARRYING AMOUNT MOVEMENTS DURING YEAR								2016
	\$	\$								\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
New/Upgrade		Renewals	In				Out			
Note 7 - PROPERTY, PLANT & EQUIPMENT										
Motor Vehicle	-	33,353	-	-	(3,243)	-	-	-	-	30,110
Software	-	-	-	-	-	-	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	33,353	-	-	(3,243)	-	-	-	-	30,110
Comparatives	28,907	-	-	(28,057)	(850)	-	-	-	-	-

Central Local Government Region of SA Inc

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

Note 8 - LIABILITIES

	2016		2015	
	\$		\$	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	317	-	2,420	-
Accrued expenses - employee entitlements	5,069	-	-	-
Accrued expenses - Contractors	-	-	41,457	-
GST & PAYG	13,542	-	-	-
	<u>18,928</u>	<u>-</u>	<u>43,877</u>	<u>-</u>
<i>Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.</i>	-	-	-	-
PROVISIONS				
Employee entitlements (including oncosts)	6,060	155	-	-
	<u>6,060</u>	<u>155</u>	<u>-</u>	<u>-</u>

Note 9 - RESERVES

	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
OTHER RESERVES				
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	17,341	-	-	17,341
2 P003-Waste Management	16,273	-	-	16,273
3 P009-Climate Change	4,761	-	-	4,761
4 P015-Local Government Reform	320,000	-	(208,952)	111,048
5 P022-Roads & Transport	26,705	-	(127)	26,578
6 P023-Outreach Collaboration Project	52,923	-	(52,923)	-
7 P024-Climate Change Co-Ordinator 2015-17	25,000	-	(5,471)	19,529
8 P025-LG Outreach Phase 2	-	50,000	-	50,000
9 P026-Strategic Procurement	-	31,100	-	31,100
10 P027-LG Reform - Incentive Risk	-	160,000	-	160,000
11 P028-Regional Capacity Building	-	104,940	-	104,940
TOTAL OTHER RESERVES	<u>494,096</u>	<u>346,040</u>	<u>(267,473)</u>	<u>572,663</u>
<i>Comparatives</i>	<u>849,494</u>	<u>57,154</u>	<u>(412,552)</u>	<u>494,096</u>

Central Local Government Region of SA Inc
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 9 - RESERVES (Continued)

PURPOSES OF RESERVES

Other Reserves

- 1 A007-Special Projects**
LGA funded support programme
- 2 P003-Waste Management**
State Government funded technical support programme
- 3 P009-Climate Change**
Regional Partners and State Government funded programme
- 4 P015-Local Government Reform**
CLGR funded programme - Council Shared Services
- 5 P022-Roads & Transport**
CLGR funded programme - Regional Development Australia Freight Strategy
- 6 P023-Outreach Collaboration Project**
Federal Government funded programme
- 7 P024-Climate Change Co-ordinator 2015-17**
Regional Partners and State Government funded programme
- 8 P025-LG Outreach Phase 2**
LGA funded programme
- 9 P026-Strategic Procurement**
LGA funded programme
- 10 P027-LG Reform - Incentive Risk**
CEO Performance fund
- 11 P028-Regional Capacity Building**
Region rubble royalty % returned for project allocation 2016/17

Central Local Government Region of SA Inc

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

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2016 \$	2015 \$
Total cash & equivalent assets	5	556,783	541,825
Balances per Cash Flow Statement		556,783	541,825

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

Net Surplus (Deficit)	123,565	(312,465)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,243	850
Net increase (decrease) in unpaid employee benefits	11,284	-
Net (Gain) Loss on Disposals	-	12,602
	138,092	(299,013)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(59,763)	55,511
Net increase (decrease) in trade & other payables	(30,018)	20,629
Net Cash provided by (or used in) operations	48,311	(222,873)

(c) Non-Cash Financing and Investing Activities

-	-
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(d) Financing Arrangements

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

Corporate Credit Cards	2,000	2,000
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Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P003-Waste Management
- 3 P009-Climate Change
- 4 P015-Local Government Reform
- 5 P022-Roads & Transport
- 6 P023-Outreach Collaboration Project
- 7 P024-Climate Change Co-Ordinator 2015-17
- 8 P025-LG Outreach Phase 2
- 9 P026-Strategic Procurement
- 10 P027-LG Reform - Incentive Risk
- 11 P028-Regional Capacity Building

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

Central Local Government Region of SA Inc
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Short term deposits are available on 24 hour call with the LGFA and has an interest rate of 1.75% as at 30 June 2016. Carrying amount: approximates fair value due to the short term to maturity.
Receivables -Trade and Other Debtors	Accounting Policy: Carried at nominal value. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	556,783	-	-	556,783	556,783
Receivables	124,056	-	-	124,056	124,056
Total	680,839	-	-	680,839	680,839
Financial Liabilities					
Payables	13,859	-	-	13,859	13,859
Total	13,859	-	-	13,859	13,859

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	541,825	-	-	541,825	541,825
Receivables	64,293	-	-	64,293	64,293
Total	606,118	-	-	606,118	606,118
Financial Liabilities					
Payables	2,420	-	-	2,420	2,420
Total	2,420	-	-	2,420	2,420

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 Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Region's boundaries, and there is no material exposure to any individual debtor.

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

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

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

Central Local Government Region of SA Inc

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

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 provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2016 \$	2015 \$
Income	484,175	497,688
less Expenses	<u>360,610</u>	<u>797,551</u>
Operating Surplus / (Deficit)	123,565	(299,863)
<i>less Net Outlays on Existing Assets</i>		
Depreciation, Amortisation and Impairment	(3,243)	(850)
	<u>(3,243)</u>	<u>(850)</u>
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	33,353	-
Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	(15,455)
	<u>33,353</u>	<u>(15,455)</u>
Net Lending / (Borrowing) for Financial Year	<u>93,455</u>	<u>(283,558)</u>

Central Local Government Region of SA Inc.

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

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

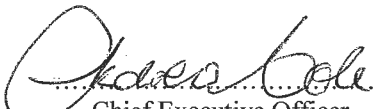
FOR THE YEAR ENDED 30 June 2016


CERTIFICATION OF AUDITOR INDEPENDENCE

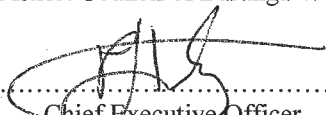
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Central Local Government Region of South Australia Incorporated for the year ended 30 June 2016, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

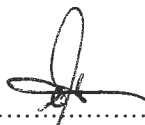
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.


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Chief Executive Officer
The Barossa Council

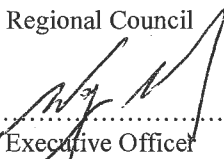

.....
Chief Executive Officer
District Council of Barunga West


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Chief Executive Officer
Clare and Gilbert Valleys Council

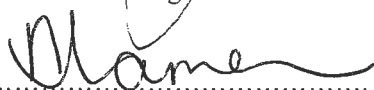

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Chief Executive Officer
District Council of the Copper Coast


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Chief Executive Officer
The Flinders Ranges Council


.....
Chief Executive Officer
Light Regional Council

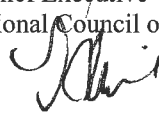

.....
Chief Executive Officer
District Council of Mount Remarkable

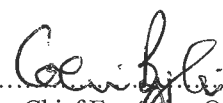

.....
Chief Executive Officer
Port Pirie Regional Council

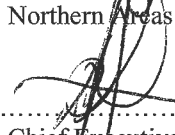

.....
Chief Executive Officer
Yorke Peninsula Council

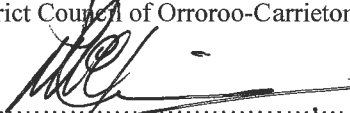

.....
Chief Executive Officer
Wakefield Regional Council



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


.....
Chief Executive Officer
District Council of Mallala


.....
Chief Executive Officer
Northern Areas Council


.....
Chief Executive Officer
District Council of Orroroo-Carrieton


.....
Chief Executive Officer
District Council of Peterborough


.....
Chairman
Central Local Government Region
Board of Management

Ian G McDonald FCA



Central Local Government Region of South Australia Inc

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Central Local Government Region of South Australia Inc for the year ended 30 June 2016, we have maintained our 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*.

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

Ian G McDonald FCA

Dated this 17th day of August 2016

Independent Audit Report to the Members of the Central Local Government Region of SA Inc.

We have audited the accompanying financial report of the Central Local Government Region of SA Inc. which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of the financial statements.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

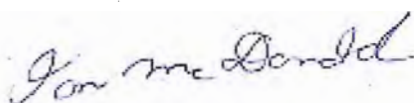
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc. as of 30 June 2016, 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 McDonald FCA
Registered Company Auditor

Signed 21st day of September 2016, at Adelaide, South Australia



FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL

ANNUAL REPORT 2015-2016

The Terms of Reference for the Flinders Regional Development Assessment Panel ("the Panel") requires that the Panel, through the Public Officer, will report in writing to the Constituent Councils on an annual basis, detailing:

- The level of attendance of Panel Members at Panel Meetings;
- The Panel's activity and performance in making decisions; and
- Comment on or an analysis of policy or process that are relevant to the Panel's assessment functions and suggesting improvements.

During the course of the 2015-2016 Financial Year, the Panel met on four (4) occasions to consider a total of nine (9) applications.

The following tables summarise the level of attendance of Panel Members at meetings and the activity and performance of the Panel in decision making.

Panel Member Attendance				
Member	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms Shanti Ditter	4	4	0	0
Cllr Garry Thompson (FRC)	4	4	0	0
Cllr Colin Nottle (DCMR)	4	4	0	0
Cllr Ralph Goehring (DCOC)	4	2	2	0
Cllr Frank Hardbottle (DCP)	4	4	0	0

Panel Activity						
Constituent Council	App's Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	1	1	0	0	0	0
District Council of Mount Remarkable	6	6	0	0	0	0
District Council of Orroroo Carrieton	1 (3 times)	0	1	0	0	2
District Council of Peterborough	1	1 (for 12 mths)	0	0	0	0
Totals	9	8	1	0	0	2

Peter McGuinness
Public Officer