

# The Flinders Ranges Council



The Flinders  
Ranges Council


## ANNUAL REPORT 2011 / 2012

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Adopted

13 November 2012

	<p style="text-align: center;"><b>GOVERNANCE</b></p> <p style="text-align: center;"><b>ANNUAL REPORT</b></p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>4 October 2009 October 2012 October 2013 18.68.1.1</p>
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## 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 inter state 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

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## COUNCIL PROFILE

### Basic Statistics

Area	4,128 square kilometres
Population	1,702 (ABS 2011)
Sealed Roads	23 kilometres
Unsealed Roads	1,240 kilometres
Number of Rateable Properties	1,601
Total Revenue (including Rates)	\$4,571,995
Rate Revenue (including CWMS & Garbage)	\$1,585,520
Total Expenditure	\$3,752,479
Total Capital Expenditure	\$2,510,987

### Local Industries

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

### Major Tourist Attractions

The beautiful Flinders Ranges  
Pichi Richi Railway  
Hawker Panorama  
Pichi Richi Camel Farm  
Warren Gorge  
Pichi Richi Marathon  
Hawker and Quorn Races  
Quorn Agricultural Show

### Council

The Council consists of a Mayor and eight Councillors with each Member representing the whole community. Council elections are controlled by the State Electoral Office and conducted by postal ballot. The next periodic election is scheduled to be held in November 2014.

Council meets on the second Tuesday of the month and meetings, open to the public, commence at 6.30 p.m.

Meetings are held at Quorn in January, February, April, May, July, August, October and November.

Meetings are held at Hawker in March, June, September and December.

## Elected Members

2010 - 2014

Mayor	Peter Slattery
Deputy Mayor	John Shute
Councillors	Ken Anderson Jannene Cannard Ronald Daniel Bronwyn Filsell Gary Lucas Garry Thompson Kathleen Walsh

## Elector Representation

Number of Electors (as at 1st October 2012) 1,211

Council	Electors	Total Members Including Mayor	Representation
District Council of Cleve	1,306	8	163
District Council of Elliston	882	8	110
The Flinders Ranges Council	1,211	9	134
District Council of Franklin Harbour	940	6	156
District Council of Karoonda-East Murray	812	7	116
District Council of Kimba	842	7	120
District Council of Mount Remarkable	2,303	7	329
District Council of Orroroo Carrieton	770	7	110
District Council of Peterborough	1,295	9	143
District Council of Robe	1,372	7	196
District Council of Streaky Bay	1,578	8	197
Wudinna District Council	940	7	134

Council will conduct a review of its representation quota in 2012 / 2013 pursuant to Section 12(4) of the Local Government Act 1999.

Section 12 of the Local Government Act 1999 details the procedures that are available to electors to make submissions on representation under this Act.

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## **Elected Members' Allowances**

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

Allowances paid are –

➤ Mayor	\$20,000.00
➤ Deputy Mayor	\$ 6,250.00
➤ Elected Member	\$ 5,000.00

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.

## **Senior Executive**

Three (3) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses, but in some contracts pay for telephone, reimbursement of work related call costs made from that telephone, and the use of a Council provided motor vehicle for business and private use.

## **Use of Confidentiality Provisions**


Section 90 of the Local Government Act 1999 provides Council with the authority to consider certain matters on a confidential basis. Otherwise Council meetings are open to the public.

During 2011 - 2012 Council used the confidentiality provisions on 4 occasions to deal with Native Title and on one occasion to deal with legal advice – development.

## **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 available at the Council office or at the Region's office, Crystal Brook.

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## MAYOR'S REPORT

Well, another year has flown by and it's time to reflect for a little while on what The Flinders Ranges Council has achieved this past year. It's easy to get caught up in the continual cycle of dealing with issues, problems, meetings and processes without getting much of an opportunity to look back and review what has happened, what's gone well, and what hasn't.

There remains a fair bit of "work in progress" as we finalise the 2011-2012 year – projects which are ongoing over another year or more, and comprise a significant part of our forward-planning processes – but we also have a lot of significant works and milestones which we can legitimately celebrate as achievements our whole community can be proud of.

The co-location of the Flinders Ranges Visitor Information Centre (FRVIC) into the Quorn Railway Station in conjunction with the Pichi Richi Railway Preservation Society's Souvenir Shop (and ticketing facility) is one such project. For many years there have been attempts to undertake this amalgamation – in order to better utilise the Quorn Railway Station building, which dominates the streetscape, in promoting our region to visitors; to better manage dwindling volunteer resources; and to develop a professional and capable facility and staff who are able to provide better services to tourists and operators alike and will generate greater income to offset the costs associated with the operating the FRVIC. The Council and the Pichi Richi Railway Preservation Society (PRRPS) were successful in obtaining a Heritage Grant to undertake the required redevelopment of the building to allow the new entities to "fit", and the PRRPS managed an absolutely enormous volunteer contribution in getting much of the works completed. It really is a great credit to their management, co-ordinators and volunteers – well done!

Council has continued to pressure our State Government, SA Water, and local MPs about the Hawker water quality issue, and has been successful in keeping the matter on the agenda despite the allocated funding shortfall complicating the scenario. We have maintained that the community was promised a solution, not a budget figure, and have persisted in seeking a resolution within that context. Work is continuing, and a resolution is now looking promisingly closer but final details and commitments are still to come.

After a number of years of submissions, Council was successful in the Special Local Roads (SLR) program in obtaining funding for the upgrade and sealing part of Arden Vale Road. This is our most heavily used unsealed road and therefore requires much maintenance. It is used by a large number of visitors unfamiliar with unsealed roads for access to the Dutchmans Stern, Warren Gorge and as part of a tourist loop drive, and also provides access for a number of our rural residents to town including the school bus. In upgrading and sealing this road under the SLR program, we will have a better, safer and lower maintenance road for the benefit of all users at a substantially subsidised cost to our ratepayers. The Arden Vale Road project will continue in stages over the next few years, and we thank drivers for their patience thus far and into the future as works continue.




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Solar power is a significant step in improving our sustainability and in responsible community leadership, so Council was very pleased to be successful in the Regional Australia Development Fund's round 1 grant process with the "Energising the Flinders" project. In conjunction with our neighbouring Councils, we aggregated all of our solar power budget allocations and an expanded program of solar power installations on a number of Council, community and public buildings and facilities as well as a number of stand-alone solar public spaces lights into a major renewable energy program for our region. The Council offices, both Works Depots, Town Halls, Swimming Pools, Public Toilet Blocks, and a number of community buildings now have substantial solar installations which will reduce power costs to the community for years to come. We have better lit public spaces and walking trails to encourage activity for residents and visitors in walking around our towns, and even the Hawker Airstrip benefitted from a solar stand-alone power system which allows better facilities at the terminal and more lighting of the area.

This year also saw the review of The Flinders Ranges Council Strategic Management Plan (SMP). The SMP is a high level document which informs the direction of Council over the coming years, and provides a source of guidance about what our community want their area to be like in the future. A complete rewriting of the SMP was undertaken and, whilst the values and objectives of the previous plan were still very relevant and desired, we now have an aspirational document which gives us a framework to consider the future works program within. I would like to thank those community members who attended the workshop sessions for their interest and input, those who provided information, opinions and feedback, as well as all those involved in the development, review and finalisation of the plan.

In closing, I would again like to pay tribute to our former Mayor, Max McHugh, who passed away on 30th August 2012. Max had been Mayor of The Flinders Ranges Council from its inception in 1997 until he retired in November 2010 - and had an even longer history representing the Quorn area and community in Local Government. He always approached his role and its attendant responsibilities in representing us with commitment, dignity and resolve. He was well respected and highly regarded throughout Local Government circles for his years of service. On behalf of The Flinders Ranges Council, and all residents within, I again acknowledge and pay tribute to his service and commitment.

***Peter Slattery***  
***Mayor***

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## OFFICERS' REPORTS

### Chief Executive Officer

As the Mayor has reported, Council has been working hard on improving community assets and infrastructure, whilst leveraging external funding to pay for the majority of the projects. I would like to take this opportunity to thank all the staff of The Flinders Ranges Council for their continuing hard work.

The 2011/2012 financial year was again very demanding for staff with yet more legislation being introduced by the State Government, adding additional compliance requirements. There is yet more changes to come as the State Government looks at new ways to raise their revenue (e.g. water licensing). This ongoing "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.

Public consultation undertaken during the year included the Annual Business Plan 2012-13, Budget 2012-13 and Long Term Financial Plan 2012-32; a range of updated Council policies; Strategic Management Plan 2012-22; and Energising the Flinders Project.

Council continues to communicate with the community through the monthly Newsletters, Council's website and Council's Facebook page.

There have been several staff changes during the year with the most notable being the retirement of Mark Hill as Works Manager. My thanks goes to Lee Braddy for stepping up to be Acting Works Manager whilst we search for a competent replacement.

Council has undertaken corporate services work for both the District Council of Orroroo Carrieton and Outback Community. This has allowed the employment of a 0.5FTE to help relieve the pressure on administration staff from the added compliance and reporting requirements imposed by the State Government.

Council was very successful in obtaining grants in 2011-2012 as is evidenced by the financial reports. Council received \$831,520 in the first round Regional Development Australia Fund for the Energising the Flinders project; \$681,000 from Special Local Roads Grant for Stage One of Arden Vale Road upgrade; \$310,500 from Local Government Disaster Fund for flood damage incurred in the previous two years; \$50,000 from South Australia Tourism Commission for the relocation of the Visitor Information Centre to the Quorn Railway Station; and various smaller grants. Council also supported the successful grant application for Pichi Richi Railway Preservation Society for upgrade of the Quorn Railway Station for \$277,000 and the Quorn Community Sporting Association application for relocation of tennis and netball courts for \$200,000.

The sustainable provision of a wide range of services and maintenance of infrastructure remains a key challenge for our Council, which continues to pursue alternative service delivery models including shared services. Council continues to actively seek additional funding opportunities to enhance Council's sustainable provision of infrastructure and services.

**Colin Davies**  
**Chief Executive Officer**

## Works Manager

This year we had two Works Managers leave us which has put a lot of pressure on the lower Management Team. We have the same amount of unsealed roads as previous years but have five more kilometres of sealed road due to the Arden Vale Road Project.

Council maintains and operates two Swimming Pools, two Airports (sealed strip at Hawker and an unsealed strip at Quorn), two Cemeteries and a Transfer Station and a Refuse Depot.

Council allocated \$333,000 to the following district road resheeting program:

- |    |                   |        |
|----|-------------------|--------|
| 1. | Stoney Creek Road | 400m   |
| 2. | Pearce Road       | 400m   |
| 3. | Yarrah Vale Road  | 3,600m |
| 4. | Arden Vale Road   | 1,600m |
| 5. | Warcowie Road     | 500m   |
| 6. | Warren Gorge Road | 500m   |
| 7. | Pinkerton Road    | 500m   |

Council allocated \$135,700 to Street resealing to the following streets:

1. First Street, Quorn
2. Seventh Street, Quorn
3. Eighth Street, Quorn
4. Ninth Street, Quorn
5. Tenth Street, Quorn
6. Elder Terrace Hawker

The *Roads to Recovery* Program continued with \$355,000 spent on Short Street, Quorn with the construction of a floodway and sealing works.

The Works Staff had to deal with numerous flood events during the year which had a profound effect on the Works Program.


Council in line with best practice replaced the following vehicles and equipment:

- two dual cab utilities
- one four wheel drive
- one three way tip truck.

Other Projects completed included –

Energising the Flinders \$ 1.16m: a joint Project with The Flinders Ranges Council and the District Councils of Mount Remarkable, Orroroo Carrieton and Peterborough. This included 101 solar lights and 15 Solar Power installations.

**Lee Braddy**  
**Acting Works Manager**

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## General Inspector

Overall it has been a good year for Dog and Cat Management for The Flinders Ranges Council

There were 473 dogs registered this year in our district, comprising in over 64 different breeds, many of these are of course cross breeds. Kelpies and kelpie crosses make up a significant proportion of these figures along with Collies and Collie crosses. The bulk of these are working dogs which is to be expected in a rural area such as ours.

Weather conditions were a major contributor in the increase in the number of wandering dogs this year. Strong winds and stormy conditions frightened many pets out into the streets running scared when Owners were either not at home or in bed. It is pleasing to note that even though the statistics increased Owners are more willing to contact Council to report missing dogs which makes getting lost animals reunited with their Owners that much quicker.

There has been a significant decrease in the number of noise complaints which is pleasing, the complaints received related to only two or three individual animals.

The number of harass/attack incidents increased which is not a good trend to report. The bulk of these related to dogs chasing vehicles/motorised scooters rather than actual bites. There was one serious incident where several fowls were attacked in their own yard with two fatalities. The Owner of these dogs surrendered the dogs to Council rather than have a 'Control Dangerous Dog Order' issued. There had been several lesser incidents with the animals in the past which when looked at in conjunction with the current incident warranted and 'Order' being issued, the Owner decided that the costs involved as well as expiations that could be issued were more than they were willing to outlay. The dogs were taken to one of the Vets in Port Augusta and euthanised.

The number of feral cats has increased in both Hawker and Quorn due to an increase in food supplies during the year. It seems that the cat population increased along with the increase in mice numbers. The Council traps have been used extensively throughout the year in an effort to keep the cat numbers under control.

Mid-year found Council working with the RSPCA to address a problem of abandoned animals in Hawker. After several weeks of negotiation between the Owner and the RSPCA the animals were removed from the property and taken for re-homing in Adelaide.

Council had two requests from Quorn residents to keep an 'Additional Dog', both cases were granted permission to keep the extra animals.

There was an increase in the number of non cat or dog related reports to Council this year as well. These related to a number of cattle, sheep, horses, ponies and camels wandering around the district unattended. Fortunately in nearly all cases Owners were tracked down so they could collect/return their animals to where they belonged.

I attended the Authorised Person Association Conference this year for the first time. It was held in Adelaide over two days and was a very informative and worthwhile experience for any person working as a General Inspector in Local Government. There was an excellent variety of speakers and suppliers there. The standard of information presented was exceptional and extremely professional.

The biggest undertaking this year was the updating and presentation of The Flinders Ranges Animal Management Plan. This was due for review and had to be looked at and submitted for approval by both The Flinders Ranges Council Members as well as the Dog & Cat Management Board. It was pleasing to realise during this process I was able to identify many of the key actions in the previous plan had been undertaken and put into action. Although the Plan has been accepted by Council, The Dog and Cat Management Board have not accepted it in its current format. With some minor changes to the setting out of the document it will be resubmitted for approval in the 2012-2013 financial year.

Below are the statistics for 2011-2012 year

Statistics:	Total
Dog Wandering	54
Impounded	5
Noise Complaint	9
Dog Attack / Harassment	12
Unregistered	0
Cat Cage Hire Days	389
Citronella Collar Hire Days	7
Cat complaints – Domestic	3
-Feral	1
Expiations Unregistered Dogs	0
Expiations Wandering Dogs	2
Expiations Breach Of By-Law 3	0
Admin & Training	83.75
Other (incl. Follow-up)	57
Field hours	31.25
Destroyed Dogs	3
Destroyed Cats	3
Other Animal Complaints (not dog or cat)	17
<b>WORK HOURS</b>	<b>172</b>

**Lynette Fatchen**  
General Inspector

## Development Officer

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

Class	Description	2010 / 2011	2011 / 2012
		Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	9	12
1b	Boarding House, Guest House, Hostel	0	2
2	Building containing 2 or more units	0	0
3	Residential Building (eg aged)	1	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	0	0
5	Office building	0	0
6	Shop or other building	3	1
7	Carpark or building for storage, display of goods or produce for sale	0	1
8	Laboratory	0	0
9	Health Care building	0	0
10a	Non-habitable building or structure (eg verandah, garage, shed)	29	38
10b	Swimming Pool, fence mast or antenna	2	7
Land Division Applications		1	2
<b>Total Applications &amp; Development Cost</b>		<b>45</b> <b>Total value:</b> <b>\$2,569,156</b>	<b>63</b> <b>Total value:</b> <b>\$2,415,051</b>


Whilst there is generally a decline in development applications throughout South Australia, significant enquiries and purchases of land continued particularly from young families who wish to be located in close proximity to the mining areas.

Enquiries relating to the sale of land within the Rural Landscape Protection Zone of Council's Development Plan have continued again this year but unfortunately with no real satisfactory outcome in most cases, particularly for the vendor. Proceedings still continue against an illegal building structure within this Zone – outcome should be known soon.

Building Fire Safety inspections have continued with more properties becoming compliant in the reporting period.

Significant projects completed during 2011 / 2012 were the refurbishment and upgrade of the Pichi Richi Railway Station to incorporate the Flinders Ranges Visitor Information Centre and the installation of solar panels on Council assets for the Energising the Flinders Project.

**Ron Ashenden**  
**Development Officer**

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### **Environmental Health Officer**

I have responded to a number of submission requests from the LGA and SA Health throughout the last 12 months. These submissions were relating to proposed and enacted regulation changes that are to occur or have been enacted over the last twelve months in both food compliance and assessment and public health practitioner sectors. Submissions related to areas such as:

- Public Health Act
- SA Food Act - Food Rating Scheme 1-14 Project changes
- Housing Improvement Act
- SA Biosecurity – changes to the egg producer guidelines
- SA Health Immunisation MOU with the LGA in Vector Controls and funding arrangements
- Housing Improvement Bill 2012 proposed changes

Food Safety Sessions – I continue to run Food Safety Sessions for all sectors of the food industry that services the communities that I work across. These sessions are well received throughout the food service sector and continues to make a positive impact on increasing food operators understanding and knowledge of their food safety responsibilities and legislative requirements.

Last year I completed my Post Graduate Degree in Environmental Health Practice at Flinders University and Graduated from University with a Distinction in November 2011.

I recently completed my Lead Food Safety Auditor RABQSA training and assessment and I am currently in the process of submitting my application to SA Health. This will enable me to register as Food Safety Auditor and provide these essential services to the Mid North Area. Professional accreditation is required in Food Safety Auditing and pertains to the Australian Food Standards 3.3.1 Program.

In February 2012 amendments were made to the SA Food Safety Regulations whereby certain chain food retailers are now required to display information regarding the energy (Kilojoule) content of any menu items at the food business point of sale. Environmental Health Officers (EHO) will be working with SA Health to ensure compliance to the Standards.


EHO's receive regular recall status on food products being offered for sale that are, for various reasons, deemed to be unfit for consumption and therefore we are requested by the Department of Health to assist in ensuring that a full product recall has taken place. A product recall was recently dispatched to EHO's to ensure follow-up was being maintained and products were removed for point of sale in a timely manner. It has become apparent from my recent investigations that some licensees were not informed of an alcohol product recall. This matter has been referred to SA Health Food Standards Surveillance to ensure the matter is appropriately resolved.

I continue to work with Council on water security issues surrounding the reuse of stormwater for Council use on parks, sporting facilities and other community focus areas. The advancement in technology is continuously changing the way these systems are managed and operating leading to continuing changes and amendments in associated Acts and Regulations that govern these utilities.

The Drinking Water Act is now finalised and we are currently awaiting direction on the implementation of these regulations.

**Mark Smith**  
**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 meetings to obtain a better understanding of the workings 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
- Annual Report
- Annual Financial Statement
- Development Plan
- Development Application Register
- Assessment Book
- Register of Members Allowances and Benefits
- Register of Employees Salaries, Wages and Benefits.

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

Any request for information should be addressed to the:

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

stating the information required and the intended use of that information. Any Freedom of Information application should be made on the correct form and will be assessed within the statutory period required under the Freedom of Information Act 1991.



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## Council Certificates

For the 2011 / 2012 financial year there were no certificates pursuant to Section 91(7) of the Local Government Act, 1999 issued by Council that restricted access to any document. Council believes that in only very special circumstances where there is a legal requirement, should access to documents be restricted.

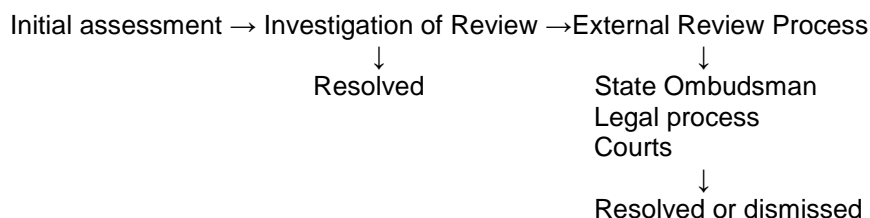
## Public Consultation

The Flinders Ranges Council has adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act, 1999. The steps to be taken in implementing the Consultation and Decision Making processes are outlined below –

- Research and develop strategies
- Undertake consultation process
- Feedback about topic via submissions
- Council decision making
- Communicate decisions to stakeholders

## Internal Review of Council Decisions

Council is committed to open, accountable and responsive decision making, facilitated by effective communication and consultation between Council and the community. The following demonstrates the review processes available to the applicant who requests a review of a Council decision:



## 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 no activities were conducted in Category 1 or 2 activities during the 2011/ 2012 financial year.

Council does not operate any business activity subject to the application of Policy principles.

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## **Public Access to Council Documents**

During 2011 / 2012 Council applied the provisions of Section 90(2) of the Local Government Act 1999 on 5 occasions.

The confidentiality provision was applied for the purpose of discussing Native Title (four items) matters and one legal advice – development on one occasion. As at 30 June 2012 all matters have been reviewed and five withheld until the next review.

## **Competitive Tender and Local Purchasing**

Council 's Policy Number MF001 – Competitive Tendering, Contracting, Purchase, Sale and Disposal of Land and Other Assets has been applied in the purchase of capital goods and works. Wherever possible the use of local suppliers for the purchase of materials is given due attention as the consideration of post sales support and service is an important consideration in the acquisition of assets.

## **Training and Development Opportunities for Elected Members**

Training appropriate to the legislative and governance roles and functions of Elected Members is provided by the Local Government Association of South Australia and associated training providers and is available for Members able and willing to participate. Online training has been undertaken by two Elected Members.

## **Strategic Management Plan**

Council has aligned its Strategic Management Plan with the South Australian Strategic Plan 2010, and during 2011 / 2012 has achieved in fifteen key areas of performance against the seventeen key objectives outlined in the Council Strategic Management Plan 2012 / 2022.

Council reviewed and updated the previous Strategic Management Plan 2006 / 2011 during the year.

## **Annual Business Plan**

Council has successfully minimised the financial impact of external factors beyond its control in its Annual Business Plan during 2011 / 2012 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.

## **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.

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### **Auditor's Remuneration**

Ian MacDonald was paid the sum of eight thousand, five hundred dollars (\$8,500.00) for the 2011 / 2012 audit of Council's financial statements and processes.

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

### **Internal Review of Council Actions**

One application in relation to Solar Lights in Hawker was made pursuant to Section 270(8) of the Local Government Act 1999 for a review of Council actions. The review was undertaken by the Chief Executive Officer as per Council's policy with Council's decision process found acceptable. The matter was subsequently referred to the Ombudsman who asked for an independent review which will be undertaken by Port Pirie Regional Council.

### **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.

### **OHS&W 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. Council undertook the One System Implementation Plan (OSIP) process during the year.

### **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 the volunteers engaged in other volunteer organisations across the Council district.

All volunteers make a significant contribution to our communities.

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## STAFF

### Administration

Chief Executive Officer	Colin Davies
Chief Finance Officer	Colin Davies
Executive Assistant / HRO	Julie Campbell
Rates and Administration Officer	Chris Bowden
OHS&W / Asset Management / Grants	Ann Frick
Administration Officers (Job Share)	Julie Wilson and Zoe Parkinson

### VIC

FRVIC Co-ordinator	Jillian Wilson
Tourism Officers	Julie Wilson / Janette Knight

### Operations

Works Manager	Mark Hill (until February 2012) Jack Cortolezzis (until May 2012)
Works Supervisor (Acting WM from May)	Lee Braddy
General Inspector / Works Clerk	Lynette Fatchen
Works Project Officer	Bob Wakefield
Team Leader Towns	Tony Agnew
Team Leader Construction	John Deer
Plant Operators / Maintenance Workers	Trent Downing Liam McKenzie Victor Clark Mark Finlay Greg Paterson Ian Press Danny Martin Robin Ward
Cleaners	Daisy Higgins / Kaye Bradley Ruth Tye / Allyson Crocket

### Contract Staff

Development Officer	Ron Ashenden
Environmental Health Officer	Mark Smith
Planning Consultant	Access Planning
Legal Advisors	Norman Waterhouse Lawyers
Auditor	Ian McDonald

### Seasonal Staff


Pool Supervisors	Sasha Andersson / Kellie Hearn/ Yvonne Bailey / Andrea McCallum
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### Senior Officers (included above)

The Chief Executive Officer is paid to compensate for time worked outside normal office hours and twenty – five percent extra for the additional finance role. In addition, Council has also resolved to meet the cost of rental for the telephone and cost of memberships.

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 officers.

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## 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 OHS&W
- 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, with other membership by the District Councils of Mount Remarkable, Orroroo Carrieton and Peterborough.

### Distribution of Information

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

Council distributes a monthly Newsletter and a quarterly 'Green Sheet' to all residents

### 2012 Australia Day Awards

The following 2012 Australia Day Awards were made by Council -

Australia Day Citizen of the Year  
Mrs Rita Britza

Australia Day Community Event of the Year  
Hawker – Revegetation Group  
Quorn – Powell Gardens Working Group

 <p>The Flinders Ranges Council</p>	<p style="text-align: center;"><b>GOVERNANCE</b></p> <p style="text-align: center;"><b>ANNUAL REPORT</b></p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>4 October 2009 October 2012 October 2013 18.68.1.1</p>
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## COUNCIL COMMITTEES AND DELEGATES


### Council Committees

Audit Committee  
 Flinders Regional Development Assessment Panel  
 Enterprise Bargaining Committee  
 The Flinders Ranges Council Building Fire Safety Committee  
 The Flinders Ranges Council District Bushfire Prevention Committee  
 Hawker Swimming Pool Management Committee  
 Policy Review Committee  
 Proposed Local Heritage Listing Committee  
 Proposed Relocation of Visitor Information Centre to Railway Station / Flinders  
     Ranges Visitor Information Centre Management Committee  
 Quorn and Districts War Memorial Swimming Pool Management Committee.

### Council Delegates

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

Central Local Government Region of South Australia  
 District Council of Mount Remarkable Building, Health and Inspectorial Services  
     Advisory Committee  
 Flinders Ranges Tourism Operators Association  
 Flinders Ranges and Outback SA Tourism Committee  
 The Flinders Ranges Council Building Fire Safety Committee  
 The Flinders Ranges Bushfire Prevention Committee  
 Locust Community Reference Group  
 Hawker Airport Emergency Committee  
 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  
 Natural Disaster and Flood Mitigation Working Group  
 Northern Passenger Transport Network  
 Pichi Richi Marathon  
 Pichi Richi Railway preservation Society Inc.  
 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 Youth Centre  
 Quorn Local History Group  
 Regional Development Australia Far North  
 Regional Bushfire Committee  
 Wirreanda Cottages.

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## Policies and Codes of Conduct

The Local Government Act requires Councils to have in place certain policies and codes of conduct. Listed below are the various policies or codes of conduct either required by the Local Government Act or agreed to by Council:

### Governance

G001	Camping
G002	Code of Conduct – Elected Members and Staff
G003	Consultation
G004	Bargaining Fees – non union employees
G005	Elected Members Allowance and Support
G006	Election Signs in Public Places
G007	Filming
G008	Flying the Flag
G009	Internal Review of Council Decisions Procedure
G010	Tourism
G011	Statutory Code of Practice, Access to Council Meetings, Council Committees and Council Documents
G012	Making of Orders
G013	Closure of Surveyed Roads
G014	Election – resignation of Members
G015	Risk Management
G016	Risk Management Register
G017	Members Training and Development
G018	Safe Environment
G019	Section 41 Committees – Terms of Reference
G020	Council Audit Committee – Terms of Reference
G021	Statutory Code of Conduct – Elected Members
G022	Statutory Code of Conduct – Council Employees

### Infrastructure – Roads


I001	Cross Over
I002	Fences, Construction of – rural land
I003	Footpath Trees – widening of footpaths, planting of footpath trees, street tree removal, planting under powerlines
I004	Grids
I005	Roadside Native Vegetation Management Plan
I006	Rural Roadside Planting of Trees, Guidelines
I007	Rubble Pits – weed control, compensation, search for

### Assets - Plant and Equipment

MA001	Country Fire Service – utilisation of Council plant
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### Finance

MF001	Competitive Tendering, Contracting, Purchase, Sale and Disposal of Land and Other Assets
MF002	Asset Accounting and Depreciation

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## Human Resources - Personnel

MH001	Country Fire Service – Council Employees
MH002	Employee Grievances
MH003	Equal Employment Opportunities
MH004	Recruitment
MH005	Sexual Harassment

## Property

MP001	Hawker Dam – pumping, pumping to private property, standpipe.
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Any of the policies or codes of conduct can be viewed at the Quorn Council Office, Monday to Friday between the hours of 9.00 a.m. and 5.00 p.m. or at the website [www.frc.sa.gov.au](http://www.frc.sa.gov.au)

## 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 are –

<i>Local Government Act 1999</i>	Colin Davies
<i>Development Act 1993</i>	Colin Davies
	Ron Ashenden
<i>Dog and Cat Management Act 1995</i>	Colin Davies
	Mark Hill/Lee Braddy
	Lynnette Fatchen
<i>Environment Protection Act 1993</i>	Colin Davies
	Mark Hill/Lee Braddy
<i>Fire and Emergency Services Act 2005</i>	Colin Davies
	Mark Finlay
<i>Public and Environmental Health Act 1987</i>	Colin Davies
	Ron Ashenden
	Mark Smith
<i>Impounding Act 1920</i>	Colin Davies
	Mark Hill/Lee Braddy
<i>Food Act 2001</i>	Colin Davies
	Ron Ashenden
	Mark Smith
<i>Expiation of Offences Act 1996</i>	Colin Davies
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Colin Davies





The Flinders  
Ranges Council

# **THE FLINDERS RANGES COUNCIL**

## **FINANCIAL REPORT**

**2011/12**



# THE FLINDERS RANGES COUNCIL

## General Purpose Financial Reports for the year ended 30 June 2012

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# THE FLINDERS RANGES COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

### CERTIFICATION OF FINANCIAL STATEMENTS


The Mayor and Chief Executive Officer, pursuant to Section 14 of the Local Government (Financial Management) Regulations 2011, have been authorised by The Flinders Ranges Council at the Ordinary Meeting of Council held on 9<sup>th</sup> October 2012 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 the Australian Accounting Standards.
- ✓ the financial statements present a true and fair view of the Council's financial position at 30 June 2012 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**

Date: 10/10/12

  
.....  
Peter Slattery  
**MAYOR**

Date: 10/10/12

# THE FLINDERS RANGES COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME

### for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
<b>INCOME</b>			
Rates	2	1,585,520	1,437,573
Statutory charges	2	32,137	40,099
User charges	2	74,563	68,868
Grants, subsidies and contributions	2	2,220,024	2,177,378
Investment income	2	182,113	138,646
Reimbursements	2	64,787	91,476
Other income	2	412,851	184,527
<b>Total Income</b>		<b>4,571,995</b>	<b>4,138,567</b>
<b>EXPENSES</b>			
Employee costs	3	1,272,064	1,292,825
Materials, contracts & other expenses	3	1,600,366	2,396,667
Depreciation, amortisation & impairment	3	796,101	771,667
Finance costs	3	83,948	88,118
<b>Total Expenses</b>		<b>3,752,479</b>	<b>4,549,277</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>819,516</b>	<b>(410,710)</b>
Asset disposal & fair value adjustments	4	(27,699)	(127,678)
Amounts received specifically for new or upgraded assets	2	1,570,387	498,438
<b>NET SURPLUS / (DEFICIT)</b>		<b>2,362,204</b>	<b>(39,950)</b>
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	5,088,278	16
<b>Total Other Comprehensive Income</b>		<b>5,088,278</b>	<b>16</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,450,482</b>	<b>(39,934)</b>

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

# THE FLINDERS RANGES COUNCIL

## BALANCE SHEET as at 30 June 2012

	Notes	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	3,867,328	2,775,187
Trade & other receivables	5	376,453	229,454
Inventories	5	188,403	343,827
		<u>4,432,184</u>	<u>3,348,468</u>
Non-current Assets held for Sale	20	-	-
<b>Total Current Assets</b>		<u>4,432,184</u>	<u>3,348,468</u>
<b>Non-current Assets</b>			
Financial Assets	6	13,006	16,218
Infrastructure, Property, Plant & Equipment	7	44,547,357	37,872,373
<b>Total Non-current Assets</b>		<u>44,560,363</u>	<u>37,888,591</u>
<b>Total Assets</b>		<u>48,992,547</u>	<u>41,237,059</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	1,175,992	774,673
Borrowings	8	57,866	69,203
Provisions	8	624,515	645,960
		<u>1,858,373</u>	<u>1,489,836</u>
Liabilities relating to Non-current Assets held for Sale	20	-	-
<b>Total Current Liabilities</b>		<u>1,858,373</u>	<u>1,489,836</u>
<b>Non-current Liabilities</b>			
Borrowings	8	1,100,092	1,157,958
Provisions	8	31,554	37,219
<b>Total Non-current Liabilities</b>		<u>1,131,646</u>	<u>1,195,177</u>
<b>Total Liabilities</b>		<u>2,990,019</u>	<u>2,685,013</u>
<b>NET ASSETS</b>		<u>46,002,528</u>	<u>38,552,046</u>
<b>EQUITY</b>			
Accumulated Surplus		12,198,506	10,556,676
Asset Revaluation Reserves	9	31,382,448	26,294,170
Other Reserves	9	2,421,574	1,701,200
<b>Total Council Equity</b>		<u>46,002,528</u>	<u>38,552,046</u>
<b>TOTAL EQUITY</b>		<u>46,002,528</u>	<u>38,552,046</u>

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

# THE FLINDERS RANGES COUNCIL

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2012

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Council Equity	TOTAL EQUITY
2012		\$	\$	\$	\$	\$
Balance at end of previous reporting period		10,556,676	26,294,170	1,701,200	38,552,046	38,552,046
Restated opening balance		10,556,676	26,294,170	1,701,200	38,552,046	38,552,046
<b>Net Surplus / (Deficit) for Year</b>		2,362,204			2,362,204	2,362,204
<b>Other Comprehensive Income</b>						
Gain on revaluation of infrastructure, property, plant & equipment			5,088,278		5,088,278	5,088,278
Transfers between reserves		(720,374)		720,374	-	-
<b>Balance at end of period</b>		<b>12,198,506</b>	<b>31,382,448</b>	<b>2,421,574</b>	<b>46,002,528</b>	<b>46,002,528</b>
2011						
Balance at end of previous reporting period		10,554,160	26,294,154	1,743,666	38,591,980	38,591,980
Restated opening balance		10,554,160	26,294,154	1,743,666	38,591,980	38,591,980
<b>Net Surplus / (Deficit) for Year</b>		(39,950)			(39,950)	(39,950)
<b>Other Comprehensive Income</b>						
Changes in revaluation surplus - infrastructure, property, plant & equipment			16		16	16
Transfers between reserves		42,466		(42,466)	-	-
<b>Balance at end of period</b>		<b>10,556,676</b>	<b>26,294,170</b>	<b>1,701,200</b>	<b>38,552,046</b>	<b>38,552,046</b>

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

# THE FLINDERS RANGES COUNCIL

## CASH FLOW STATEMENT for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating receipts		5,002,965	4,138,875
Investment receipts		171,386	111,677
<u>Payments</u>			
Operating payments to suppliers & employees		(3,090,678)	(3,142,841)
Finance payments		(85,223)	(89,664)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>1,998,450</b>	<b>1,018,047</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		1,570,387	498,438
Sale of replaced assets		100,481	90,809
Repayments of loans by community groups		3,013	2,826
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(7,973)	(326,338)
Expenditure on new/upgraded assets		(2,503,014)	(880,306)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(837,106)</b>	<b>(614,571)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings		-	-
<u>Payments</u>			
Repayments of Borrowings		(69,203)	(76,553)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(69,203)</b>	<b>(76,553)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>1,092,141</b>	<b>326,923</b>
Cash & cash equivalents at beginning of period	11	2,775,187	2,448,264
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>3,867,328</b>	<b>2,775,187</b>

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



# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - Significant Accounting Policies

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations (e.g. UIGs) 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 1<sup>st</sup> May 2011

##### 1.2 Historical Cost Convention

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

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

#### 2 The Local Government Reporting Entity

The Flinders Ranges Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Seventh Street, Quorn SA 5433. These financial statements include the consolidated fund 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.



### Note 1 - Significant Accounting Policies

#### 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.

##### 5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

##### 5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

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

##### 6.1 Initial Recognition

All assets are initially recognised at cost.

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

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

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

# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - Significant Accounting Policies

#### 6.2 Materiality

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

Office Furniture & Equipment	\$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

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 8.

#### 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.

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

Plant, Furniture & Equipment	
Office Equipment	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
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - Significant Accounting Policies

#### 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	50 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

### 6.5 Impairment

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

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

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in the 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 the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

## 7 Payables

### 7.1 Goods & Services

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

### 7.2 Payments Received in Advance & Deposits

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

## 8 Borrowings

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



# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - Significant Accounting Policies

#### 9 Employee Benefits

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

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

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

#### 10 Construction Contracts

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

#### 11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

#### 12 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB117.

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 as assets under lease, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

#### 13 GST Implications

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

- 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.

# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - Significant Accounting Policies

#### 14 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 9 *Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 2010-6 *Amendments to Australian Accounting Standards [AASBs 1 & 7]*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]*
- AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]*
- AASB 2011-5 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]*
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]*
- AASB 2011-12 *Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]*

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

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

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



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 2 - INCOME

	Notes	2012 \$	2011 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		1,173,414	1,068,607
Less: Discretionary rebates, remissions & write offs		(34,461)	(34,758)
		<u>1,138,953</u>	<u>1,033,849</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		31,219	32,119
Waste collection		172,265	141,460
Community wastewater management systems		227,660	217,080
		<u>431,144</u>	<u>390,659</u>
<u>Other Charges</u>			
Penalties for late payment		15,423	13,118
		<u>15,423</u>	<u>13,118</u>
Less: Discretionary rebates, remissions & write offs			(53)
		<u>1,585,520</u>	<u>1,437,573</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		9,934	11,711
Town planning fees		8,360	12,776
Animal registration fees & fines		10,328	10,794
Other registration fees		3,515	4,818
		<u>32,137</u>	<u>40,099</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		15,995	15,132
Swimming Pools		23,827	27,463
Community Bus hire		8,384	8,385
Hall & equipment hire		5,687	6,086
Waste Management		16,963	8,272
Airport Fees		2,258	2,603
Sundry		1,449	927
		<u>74,563</u>	<u>68,868</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		171,244	106,080
Banks & other		9,667	32,566
Loans to community groups		1,202	
		<u>182,113</u>	<u>138,646</u>
<b>REIMBURSEMENTS</b>			
- for private works		17,587	17,038
- other		47,200	74,438
		<u>64,787</u>	<u>91,476</u>

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 2 - INCOME

	Notes	2012 \$	2011 \$
<b>OTHER INCOME</b>			
Rebates received		24,539	32,585
Commercial Income		60,466	30,799
Donations		34,924	79,557
Rubble		138,387	-
Energising the Flinders		81,395	-
Sundry		73,140	41,586
		<b>412,851</b>	<b>184,527</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		987,038	498,438
Other grants, subsidies and contributions		2,220,024	1,675,878
Individually significant item -	see below	583,349	501,500
		<b>3,790,411</b>	<b>2,675,816</b>
<i>The functions to which these grants relate are shown in Note 2.</i>			
<b>Sources of grants</b>			
Commonwealth government		3,394,700	2,500,013
State government		375,711	164,997
Other		20,000	10,806
		<b>3,790,411</b>	<b>2,675,816</b>
<b>Individually Significant Item</b>			
National Rural and Remote Health Infrastructure Program - Kanyaka Surgery			501,500
Regional Development Australia Fund - Energising the Flinders		583,349	
<b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
Unexpended at the close of the previous reporting period		55,572	315,259
Less: expended during the current period from revenues recognised in previous reporting periods			
Roads Infrastructure		-	(883,839)
Heritage & Cultural Services		(32,607)	(1,846,539)
	Subtotal	<b>(32,607)</b>	<b>(2,730,378)</b>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Roads Infrastructure			883,839
Heritage & Cultural Services		10,367	1,586,852
	Subtotal	<b>10,367</b>	<b>2,470,691</b>
Unexpended at the close of this reporting period		<b>33,332</b>	<b>55,572</b>
Net increase (decrease) in assets subject to conditions in the current reporting period		<b>(22,240)</b>	<b>(259,687)</b>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 3 - EXPENSES

	Notes	2012 \$	2011 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,086,185	962,478
Employee leave expense		136,333	200,581
Superannuation - defined contribution plan contributions	18	44,863	42,802
Superannuation - defined benefit plan contributions	18	57,210	52,879
Workers' Compensation Insurance		70,218	98,778
Less: Capitalised and distributed costs		(122,745)	(64,693)
<b>Total Operating Employee Costs</b>		<b>1,272,064</b>	<b>1,292,825</b>
<b>Total Number of Employees</b>		<b>19</b>	<b>20</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9,632	4,400
Elected members' expenses		82,874	63,574
Election expenses		445	2,917
Subtotal - Prescribed Expenses		<b>92,951</b>	<b>70,891</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		710,686	1,113,010
Energy - Fuel & Power		219,016	138,347
Waste Management		312,244	334,458
Insurance		60,121	28,891
Individually Significant Items		793,265	822,801
Maintenance		119,601	90,789
Legal Expenses		54,104	41,549
Levies paid to government - NRM levy		30,977	32,217
- Other Levies		8,377	14,465
Parts, accessories & consumables		24,716	29,317
Professional services		88,986	28,528
Sundry		607,593	267,063
Subtotal - Other Materials, Contracts & Expenses		<b>3,029,685</b>	<b>2,941,435</b>
Less: Capitalised and distributed costs		(1,522,270)	(615,659)
		<b>1,600,366</b>	<b>2,396,667</b>
<b>INDIVIDUALLY SIGNIFICANT ITEMS</b>			
Energising the Flinders		793,265	-
Kanyaka Surgery refurbishment			674,779
Flood Damage Repairs (Own funds - No State Government Support)		-	148,022
		<b>793,265</b>	<b>822,801</b>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 3 - EXPENSES

	Notes	2012 \$	2011 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Land & Buildings		319,429	261,579
Plant & Equipment		159,693	139,711
Furniture & Fittings		23,965	26,687
Minor plant		6,394	5,737
Infrastructure		219,974	271,305
CWMS		66,646	66,648
		<u>796,101</u>	<u>771,667</u>
<b>FINANCE COSTS</b>			
Interest on Loans		83,948	88,118
		<u>83,948</u>	<u>88,118</u>

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

	2012	2011
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	100,481	90,809
Less: Carrying amount of assets sold	128,180	218,487
<b>Gain (Loss) on disposal</b>	<b>(27,699)</b>	<b>(127,678)</b>

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 5 - CURRENT ASSETS

	Notes	2012 \$	2011 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		43,539	51,165
Deposits at Call		823,789	724,022
Short Term Deposits & Bills, etc		3,000,000	2,000,000
		<b>3,867,328</b>	<b>2,775,187</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		147,399	124,738
Accrued Interest		37,696	26,969
Debtors - general		73,410	74,734
Prepayments		6,584	-
Loans to community organisations		3,212	3,013
Sundry		108,152	-
Total		<b>376,453</b>	<b>229,454</b>
<b>INVENTORIES</b>			
Stores & Materials		188,403	343,827
		<b>188,403</b>	<b>343,827</b>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 6 - NON-CURRENT ASSETS

		2012	2011
FINANCIAL ASSETS	Notes	\$	\$
Receivables			
Loans to community organisations		13,006	16,218
<b>TOTAL FINANCIAL ASSETS</b>		<b>13,006</b>	<b>16,218</b>

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011				2012			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land & Buildings	14,456,153	-	(8,697,257)	5,758,896	15,397,623	-	(9,010,686)	6,386,937
Plant & Equipment	618,648	1,600,032	(431,624)	1,787,056	610,866	1,682,348	(535,553)	1,757,661
Furniture & Fittings	260,380	-	(146,277)	114,103	316,364	-	(170,242)	146,122
Minor plant	73,031	-	(55,449)	17,582	81,418	-	(58,268)	23,150
Infrastructure	31,123,607	-	(3,643,501)	27,480,106	38,118,577	-	(4,533,074)	33,585,503
CWMS	3,685,671	-	(971,041)	2,714,630	3,685,671	-	(1,037,687)	2,647,984
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	50,217,490	1,600,032	(13,945,149)	37,872,373	58,210,519	1,682,348	(15,345,510)	44,547,357
<b>Comparatives</b>	<b>49,406,859</b>	<b>1,372,942</b>	<b>(13,123,934)</b>	<b>37,655,867</b>	<b>50,217,490</b>	<b>1,600,032</b>	<b>(13,945,149)</b>	<b>37,872,373</b>

This Note continues on the following pages.

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011	CARRYING AMOUNT MOVEMENTS DURING YEAR							2012
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Land & Buildings	5,758,896	910,988	36,482	-	(319,429)	-	-	-	6,386,937
Plant & Equipment	1,787,056	-	258,478	(128,180)	(159,693)	-	-	-	1,757,661
Furniture & Fittings	114,103	11,665	44,319	-	(23,965)	-	-	-	146,122
Minor plant	17,582	-	11,962	-	(6,394)	-	-	-	23,150
Infrastructure	27,480,106	1,237,093	-	-	(219,974)	-	-	5,088,278	33,585,503
CWMS	2,714,630	-	-	-	(66,646)	-	-	-	2,647,984
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>37,872,373</b>	<b>2,159,746</b>	<b>351,241</b>	<b>(128,180)</b>	<b>(796,101)</b>	<b>-</b>	<b>-</b>	<b>5,088,278</b>	<b>44,547,357</b>
<i>Comparatives</i>	<b>37,655,867</b>	<b>880,306</b>	<b>326,338</b>	<b>(218,487)</b>	<b>(771,667)</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>37,872,373</b>

This Note continues on the following pages.



# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 7 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

#### **Valuation of Assets**

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

All Council's assets were adjusted as a result of a revaluation undertaken by *Asset Valuation Consulting Pty Ltd* as at 30 June 2009.

Major depreciation periods are detailed in Note 1.

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

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

#### **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. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2009 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 at fair value being written down replacement cost.

#### **Infrastructure**

Transportation assets were valued by Council at written down current replacement cost during the reporting period ended 30 June 2011 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 Council as at 30 June 2011 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2011 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 Council at written down current replacement cost during the reporting period ended 30 June 2011 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. 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 2012

### Note 8 - LIABILITIES

	Notes	2012		2011	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		(1,170)		5,018	
Payments received in advance		783,618		355,250	-
Accrued expenses - employee entitlements		140,058	-	128,706	-
Accrued expenses - other		221,319		225,454	-
Other		32,167		60,245	-
		<b>1,175,992</b>	<b>-</b>	<b>774,673</b>	<b>-</b>

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

### BORROWINGS

Loans		57,866	1,100,092	69,203	1,157,958
		<b>57,866</b>	<b>1,100,092</b>	<b>69,203</b>	<b>1,157,958</b>

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

### PROVISIONS

Employee entitlements (including oncosts)		124,515	31,554	145,960	37,219
Future reinstatement / restoration, etc		500,000	-	500,000	-
		<b>624,515</b>	<b>31,554</b>	<b>645,960</b>	<b>37,219</b>

### Movements in Provisions - 2012 year only (current & non-current)

	Employee Entitlements	Reinstatement
Opening Balance	183,179	500,000
Add Additional amounts recognised	136,333	-
(Less) Payments	(163,443)	-
Closing Balance	<b>156,069</b>	<b>500,000</b>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 9 - RESERVES

ASSET REVALUATION RESERVE		1-7-2011	Net Increments (Decrements)	Transfers, Impairments	30-6-2012
	Notes	\$	\$	\$	\$
Land & Buildings		1,527,007			1,527,007
Plant & Equipment		-			-
Furniture & Fittings		38,487			38,487
Minor plant		-			-
Infrastructure		15,521,037	5,088,278		20,609,315
CWMS		538,625			538,625
Other Assets		(36,820)			(36,820)
Asset Revaluation Reserve		8,705,834	-		8,705,834
<b>TOTAL</b>		<b>26,294,170</b>	<b>5,088,278</b>	<b>-</b>	<b>31,382,448</b>
<b>Comparatives</b>		<b>26,294,154</b>	<b>16</b>		<b>26,294,170</b>

OTHER RESERVES		1-7-2011	Transfers to Reserve	Transfers from Reserve	30-6-2012
NRM Levy		54	242		296
Land & Buildings		56,232	2,877		59,109
Plant Replacement		66,471	3,401		69,872
Other		948,681	543,954		1,492,635
Garbage Service Charge		(30,879)		(18,588)	(49,467)
Stormwater Dams		19,717	1,009		20,726
Hawker Swimming Pool		-	2,000		2,000
Legal Costs		16,937	866	(17,803)	-
Community Trust Funds		20,903	1,906		22,809
Quorn Swimming Pool		-	50,000		50,000
Hawker CWMS Service Charge		65,195	42,300		107,495
Quorn CWMS Service Charge		297,912	40,930		338,842
Airstrips		-	5,000		5,000
Roads		199,245	60,195		259,440
Community Buses		40,732	2,085		42,817
<b>TOTAL OTHER RESERVES</b>		<b>1,701,200</b>	<b>756,765</b>	<b>(36,391)</b>	<b>2,421,574</b>
<b>Comparatives</b>		<b>1,743,666</b>	<b>716,136</b>	<b>(758,602)</b>	<b>1,701,200</b>

### PURPOSES OF RESERVES

#### Asset Revaluation Reserve

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



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

		2012	2011
	Notes	\$	\$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Federal Government			
CWMS Annual Service Charge		446,337	363,107
Garbage Annual Service Charge		(49,467)	(30,879)
NRM Levy		296	54
Unexpended Grant funds		33,332	55,572
Employee Entitlements		286,511	271,377
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>717,009</b>	<b>659,231</b>

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### 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	2012 \$	2011 \$
Total cash & equivalent assets	5	<b>3,867,328</b>	2,775,187
Balances per Cash Flow Statement		<b>3,867,328</b>	2,775,187

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

Net Surplus (Deficit)		<b>7,450,482</b>	<b>(39,934)</b>
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<b>796,101</b>	771,667
Net increase (decrease) in unpaid employee benefits		<b>(15,758)</b>	53,068
Asset Revaluation movements		<b>(5,088,278)</b>	(16)
Grants for capital acquisitions treated as Investing Activity		<b>(1,570,387)</b>	<b>(498,438)</b>
Net (Gain) Loss on Disposals		<b>27,699</b>	127,678
		<b>1,599,859</b>	414,025
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>(146,800)</b>	156,954
Net (increase) decrease in inventories		<b>155,424</b>	135,654
Net increase (decrease) in trade & other payables		<b>389,967</b>	338,383
Net increase (decrease) in other provisions		-	<b>(26,969)</b>
<b>Net Cash provided by (or used in) operations</b>		<b>1,998,450</b>	1,018,047

#### (d) Financing Arrangements

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

Bank Overdrafts	<b>200,000</b>	200,000
Corporate Credit Cards	<b>10,000</b>	10,000

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 2012

### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	2,348,530	2,158,321	232,202	219,051	2,116,328	1,939,270	1,157,843	1,068,641	
Public Order & Health	130	-	27,061	59,582	(26,931)	(59,582)	-	-	
Social Security & Welfare	16,343	15,938	28,013	33,965	(11,670)	(18,027)	3,000	3,000	
Community Amenities	439,691	506,069	736,082	1,072,645	(296,391)	(566,576)	6,620	124,125	
Recreation & Culture	48,680	84,734	779,157	919,888	(730,477)	(835,154)	1,621	19,444	
Agricultural Services	31,219	34,514	33,865	33,218	(2,646)	1,296	-	2,395	
Regulatory Services	32,647	37,470	148,942	108,451	(116,295)	(70,981)	-	-	
Transport & Communication	873,367	421,213	1,031,417	1,216,310	(158,050)	(795,097)	725,478	385,401	
Economic Development	449,735	593,460	608,005	803,816	(158,270)	(210,356)	902,170	512,306	
Not Elsewhere Classified	331,653	286,848	74,739	70,714	256,914	216,134	6,641	62,066	
Works Overheads		-	52,996	11,637	(52,996)	(11,637)	-	-	
				-	-				
<b>TOTALS</b>	<b>4,571,995</b>	<b>4,138,567</b>	<b>3,752,479</b>	<b>4,549,277</b>	<b>819,516</b>	<b>(410,710)</b>	<b>2,803,373</b>	<b>2,177,378</b>	<b>48,992,547</b>
									41,237,059

Excludes 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 2012

### Note 12 - 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**

Bridges, 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, Caravan Park, 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, OHS&W, signage, training,

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 13 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 5.1% and 5.4% (2010: 3.2% and 5.3%). Short term deposits have an average maturity of 30 days and an average interest rates of 5.25% (2010: 30 days, 3%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables - Rates &amp; Associated Charges</b> (including legals &amp; penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest at the prescribed rate. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable by 6 monthly instalments of principal and interest, with interest charged at fixed rates.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 13 - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

	2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>		\$	\$	\$	\$	\$
Cash & Equivalents		3,867,328			3,867,328	3,867,328
Receivables		242,060			242,060	242,060
Other Financial Assets		3,212	10,965	2,041	16,218	16,218
<b>Total</b>		<b>4,112,600</b>	<b>10,965</b>	<b>2,041</b>	<b>4,125,606</b>	<b>4,125,606</b>
<b>Financial Liabilities</b>						
Payables		814,615			814,615	814,615
Current Borrowings		57,866			57,866	57,866
Non-Current Borrowings			230,858	869,234	1,100,092	1,100,092
<b>Total</b>		<b>872,481</b>	<b>230,858</b>	<b>869,234</b>	<b>1,972,573</b>	<b>1,972,573</b>
	2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>		\$	\$	\$	\$	\$
Cash & Equivalents		2,802,156			2,802,156	2,775,187
Receivables		93,965			93,965	120,934
Other Financial Assets		3,013	14,177	2,041	19,231	16,218
<b>Total</b>		<b>2,899,134</b>	<b>14,177</b>	<b>2,041</b>	<b>2,915,352</b>	<b>2,912,339</b>
<b>Financial Liabilities</b>						
Payables		923,723			923,723	420,513
Current Borrowings		69,203			69,203	69,203
Non-Current Borrowings			245,326	912,632	1,157,958	1,157,958
<b>Total</b>		<b>992,926</b>	<b>245,326</b>	<b>912,632</b>	<b>2,150,884</b>	<b>1,647,674</b>

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Fixed Interest Rates	4.25	\$ 1,157,958	6.6	\$ 1,227,161
		<b>1,157,958</b>		<b>1,227,161</b>

#### Net Fair Value

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

#### 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 currently made with the Local Government Finance Authority (LGFA) 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 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.

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 14 - COMMITMENTS FOR EXPENDITURE

	2012	2011
<u>Notes</u>	\$	\$
<b>Capital Commitments</b>		
There is no capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities.		
<b>Other Expenditure Commitments</b>		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	25,500	34,000
Employee Remuneration Contracts	<u>838,073</u>	<u>1,119,389</u>
	<u>863,573</u>	<u>1,153,389</u>
These expenditures are payable:		
Not later than one year	328,326	333,754
Later than one year and not later than 5 years	<u>535,247</u>	<u>819,635</u>
	<u>863,573</u>	<u>1,153,389</u>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 15 - FINANCIAL INDICATORS

	2012	2011	2010
These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.			
<b>Operating Surplus</b>	\$ 819,516	(410,710)	(118,774)
Being the operating surplus (deficit) before capital amounts .			
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	53%	-29%	-9%
Rates - general & other less NRM levy			
<b>Adjusted Operating Surplus Ratio</b>	15%	-29%	-9%
This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.			
<b>Net Financial Liabilities</b>	\$ (1,266,768)	(335,846)	(456,632)
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).			
<b>Net Financial Liabilities Ratio</b>			
<u>Net Financial Liabilities</u>	-28%	-8%	-13%
Total Operating Revenue less NRM levy			
<b>Interest Cover Ratio</b>			
<u>Net Interest Expense</u>	-2%	-1%	-1%
Total Operating Revenue less NRM levy less Investment Income			
<b>Asset Sustainability Ratio</b>			
<u>Net Asset Renewals</u>	-12%	31%	202%
Depreciation Expense			
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.			
<b>Asset Consumption Ratio</b>			
<u>Carrying value of depreciable assets</u>	66%	63%	64%
Gross value of depreciable assets			

Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.

# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2012 \$	2011 \$
Income	4,571,995	4,138,567
less Expenses	(3,752,479)	(4,549,277)
<b>Operating Surplus / (Deficit)</b>	<b>819,516</b>	<b>(410,710)</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	7,973	326,338
less Depreciation, Amortisation and Impairment	796,101	771,667
less Proceeds from Sale of Replaced Assets	100,481	90,809
	(888,609)	(536,138)
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	2,503,014	880,306
less Amounts received specifically for New and Upgraded Assets	1,570,387	498,438
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-
	932,627	381,868
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>775,498</b>	<b>(256,440)</b>



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 17 - OPERATING LEASES

#### *Leases providing revenue to the Council*

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis where ever 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.

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

	2012	2011
	\$	\$
Not later than one year	10,400	10,400
Later than one year and not later than 5 years	41,600	41,600
Later than 5 years	51,200	61,600
	<u>103,200</u>	<u>113,600</u>



# The Flinders Ranges Council

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 18 – SUPERANNUATION

The Flinders Ranges Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two types of membership, each of which is funded differently. Prior to 24<sup>th</sup> November 2009, permanent and contract employees of the South Australian Local Government sector had the option to contribute to Marketlink and/or Salarylink. Since that date and all other employees (including casuals) have all contributions allocated to Marketlink only.

#### **Marketlink (Accumulation Fund) Members**

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2010/11). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit) 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 of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate for the 2011/12 year was 6.3% (6.3% in 2010/11) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

In September and October 2009 a series of workshops were held to discuss the future of the defined benefit arrangements (Salarylink) of Local Super. Councils were asked to consider options relating to the continuation of Salarylink. The key question was whether to keep Salarylink open or should Salarylink be closed to new entrants. The councils were concerned about the risk associated with maintaining an open defined benefit scheme, particularly to ensure that the council contribution rate to superannuation remained stable over time. The response from councils was that approximately 75% voted for Salarylink to be closed to new entrants.

At the LGA State Executive meeting held on Thursday 19 November 2009, it was decided to adopt Option 3 ie to close Salarylink to new entrants, whilst honouring the obligations to existing Salarylink members. The Local Super Board amended the rules of the scheme, to close Salarylink to new entrants, at the Board meeting on held on Tuesday 24 November 2009.

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.



# **THE FLINDERS RANGES COUNCIL**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

### **Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES**

**Council has no Joint Venture or Associated Entities**



# **THE FLINDERS RANGES COUNCIL**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

### **Note 20 - NON-CURRENT ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS**

**Council has no Non-Current Assets held for sale or Discontinued Operations**



# **The Flinders Ranges Council**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 30 June 2012**

### **Note 21 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

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

#### **1. LAND UNDER ROADS**

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

At reporting date, Council controlled 1,263 km of road reserves of average width 10 metres.

#### **2. POTENTIAL INSURANCE LOSSES**

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

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

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

#### **3. BANK GUARANTEES**

Council has not guaranteed any loans or other banking facilities on behalf of community organisations and sporting bodies as at reporting date.

#### **4. LEGAL EXPENSES**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 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.



**The Flinders Ranges Council**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

**Note 22 - EVENTS OCCURRING AFTER REPORTING DATE**

There are no known events that have occurred after the reporting date that would have a material effect on the Financial Reports for 2011/12 as stated herein.



# THE FLINDERS RANGES COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

### Note 23 - RECONCILIATION OF GRANTS RECEIVED

This schedule records all grants received, including from other levels of Government, whether described as grants, subsidies or otherwise.

#### GRANTS

##### GENERAL PURPOSE

Grants Commission Grant - General Purpose  
Grants Commission Grant - Local Roads  
Grants Commission Grant - Supplemental Local Roads

**Subtotal**

##### SPECIFIC PURPOSE

Planning SA - RDAP  
Flood Damage  
Volunteer Resource Centre  
FRC - Little Corellas Trailer  
Water for Towns  
Libraries  
Film Maker in Residence  
FRVIC  
Bush Festival  
YAC  
Quorn Transfer Station  
Hawker Revegetation Project  
Hawker Airport Upgrade  
Solar innovation Fund  
Energising the Flinders  
RCLIP - CIP Grant Round 3

**Subtotal**

#### TOTAL OTHER GRANTS

**Comparatives**

Opening Balance 01 July 2011	Movements		Closing Balance 30 June 2012
	Received/ Receivable	Expended	
\$	\$	\$	\$
-	1,157,843	(1,157,843)	-
-	278,143	(278,143)	-
-	124,335	(124,335)	-
-	1,560,321	(1,560,321)	-
10,000			10,000
-	310,500	(310,500)	-
-	650	(650)	-
7,217		(1,327)	5,890
-	12,500	(12,500)	-
-	1,621	(1,621)	-
209			209
-	50,000	(39,633)	10,367
6,277			6,277
-	3,000	(3,000)	-
-	6,620	(6,620)	-
1,869		(1,280)	589
-	6,641	(6,641)	-
-	20,000	(20,000)	-
-	831,520	(831,520)	-
30,000		(30,000)	-
55,572	1,243,052	(1,265,292)	33,332
55,572	2,803,373	(2,825,613)	33,332
315,259	1,972,253	(2,231,940)	55,572

#### GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS

##### SPECIFIC PURPOSE

Roads to Recovery  
Special Local Roads Grant

#### TOTAL GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS

**Comparatives**

Opening Balance 01 July 2010	Movements		Closing Balance 30 June 2011
	Received/ Receivable	Expended	
-	306,038	(306,038)	-
-	681,000	(681,000)	-
-	987,038	(987,038)	-
-	498,438	(498,438)	-

Recognised as revenue in advance of expenditure  
Current receivable - Other levels of Government

5

55,572	33,332
-	-
55,572	33,332



# The Flinders Ranges Council

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

### CERTIFICATION OF AUDITOR INDEPENDENCE

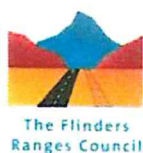
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Flinders Ranges Council for the year ended 30 June 2012, the Council's Auditor, Ian McDonald, has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local 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*.

.....  
Colin Davies  
**CHIEF EXECUTIVE OFFICER**

.....  
Peter Slattery  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Dated this 10<sup>th</sup> day of OCTOBER 2012



**The Flinders Ranges Council**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2012**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2012, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

**Ian McDonald, FCA**  
**AUDITOR**

Dated this 8 day of October 2012

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE FLINDERS RANGES COUNCIL**

I have audited the accompanying financial report of The Flinders Ranges Council which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2012.

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

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

**Auditor's Responsibility**

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

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

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

**Independence**

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

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of The Flinders Ranges Council as of 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed 31 day of October 2012, at Eastwood, South Australia





# Central

## Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

# Annual Report for 2011 – 2012

*A regional subsidiary of:*

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

## Contact Details

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CRYSTAL BROOK SA 5523

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0427 609 404

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(08) 8638 5551

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**Website:**

[www.centralregion.sa.gov.au](http://www.centralregion.sa.gov.au)

# The Central Local Government Region of South Australia

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

The Central Region is established to:

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

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

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

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

## Office Bearers for 2011/12

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<b>Chairman:</b>	Mayor James Maitland (Wakefield)
<b>Deputy Chairs:</b>	Mayor Ray Agnew (Yorke Peninsula) Cr Neville Wilson (Port Pirie)
<b>Executive Members:</b>	Mayor Allan Aughey (Clare & Gilbert Valleys) Mayor Ruth Whittle (Peterborough)
<b>Delegate to the LGA State Executive:</b>	Mayor James Maitland (Wakefield) Mayor Allan Aughey (Clare & Gilbert Valleys) Mayor Ray Agnew (Yorke Peninsula) - proxy
<b>Executive Officer:</b>	Anita Crisp
<b>Auditor:</b>	Ian G. McDonald



## Central Local Government Region Board of Management

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

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

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

## **Meetings of the Central Region Board of Management**

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Four meetings of the Central Local Government Region Board of Management were held during the 2011/12, each hosted by one of the member Councils.

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

Meetings were held:

- Friday 12<sup>th</sup> August 2011 – AGM, hosted by District Council of Peterborough  
(Peterborough)
- Friday 4<sup>th</sup> November 2011, hosted by Port Pirie Regional Council (Port Pirie)
- Friday 10<sup>th</sup> February 2012, hosted by Wakefield Regional Council (Balaklava)
- Friday 11<sup>th</sup> May 2012, hosted by District Council of Yorke Peninsula (Ardrossan)

## Committee Meetings

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

Committee	Members	Meeting Dates
<b>Executive Committee:</b>	Mayor James Maitland, Mayor Ray Agnew, Cr Neville Wilson, Mayor Allan Aughey, Mayor Ruth Whittle	20 <sup>th</sup> July 2011 14 <sup>th</sup> September 2011 1 <sup>st</sup> May 2012 6 <sup>th</sup> June 2012
<b>Audit Committee:</b>	Mayor Ray Agnew (Chair), Cr Kathie Bowman, Dr Andrew Johnson, Mr Colin Davies	1 <sup>st</sup> September 2011 10 <sup>th</sup> February 2012
<b>Member Councils CEO's Forums:</b>	Mr David Morcom (Barossa), Mr Nigel Hand (Barunga West), Mr Roy Blight (Clare & Gilbert Valleys), Mr Peter Harder (Copper Coast), Mr Colin Davies (Flinders Ranges), Mr John Brak (Goyder), Mr Brian Carr (Light), Mr Charles Mansueto (Mallala), Mr Sean Cheriton (Mt Remarkable), Mr Roger Crowley (Northern Areas), Mr Iain Wilson (Orroroo/Carrieton), Mr Terry Barnes (Peterborough), Dr Andrew Johnson (Pirie Regional), Mr Phil Barry/Geoff Sheridan (Wakefield), Mr Andrew Cameron (Yorke Peninsula). Chaired by a member of the CLGR Executive	15 <sup>th</sup> July 2011 14 <sup>th</sup> October 2011 16 <sup>th</sup> December 2011 15 <sup>th</sup> April 2012
<b>Transport Infrastructure Planning Committee:</b>	Mr Iain Wilson - Chair (Orroroo Carrieton), Mr Grant McKenzie (Clare & Gilbert Valleys), Mr Roy O'Connor (Goyder), Mr Fred Linke (Barunga West), Mr Brenton Pearce (Mt Remarkable), Mr Len Wilton (Port Pirie), Mr Richard Pym (Copper Coast), Ms Joanne Buchanan (Regional Development), Mr Bob Bemmerl (DTEI) <i>*Flood Remediation Project Sub-Committee</i>	7 <sup>th</sup> July 2011 29 <sup>th</sup> September 2011 30 <sup>th</sup> November 2011 29 <sup>th</sup> February 2012 23 <sup>rd</sup> April 2012 *8 <sup>th</sup> February 2012 *13 <sup>th</sup> June 2012
<b>Regional Climate Change Steering Committee:</b>	Mr David Morcom (Barossa), Ms Anita Crisp (CLGR Executive Officer), Ms Kelly-Anne Saffin (RDA Y&MN), Ms Anne Moroney (RDA Barossa), Ms Lynne Walden/Pam Pilkington (N&Y NRM Board), Mr Mike Fretwell (Y&MN ZEMC), Mr Adam Gray (LGA) Technical Panel - Dr Jacqueline Balston, Mr Anthony Kosturjack, Dr Tim Milne, Ms Sylvia Roughan, Ms Karla Billington, Ms Melissa Rebbeck, Dr Murray Townsend	5 <sup>th</sup> August 2011 18 <sup>th</sup> August 2011 18 <sup>th</sup> October 2011 7 <sup>th</sup> November 2011
<b>Coastal Councils Network:</b>	Ms Aleisa Lamanna (Mallala), Mr Geoff Sheridan (Wakefield), Mr Stephen Goldsworthy (Yorke Peninsula), Mr Andy West (Copper Coast), Mr Nigel Hand (Barunga West), Patrick Clifton (Port Pirie), Muriel Scholz (Mt Remarkable). Ms Deborah Allen (Coastcare Facilitator) – ex officio	1 <sup>st</sup> August 2011 14 <sup>th</sup> December 2011 7 <sup>th</sup> May 2012
<b>Regional Waste Management Committee:</b>	Mayor Ruth Whittle (Chair), Mr Darren North (Pt Pirie), Ms Paula Duncan-Tiver (Northern Areas), Mr Roger Crowley (Northern Areas). Ms Vanessa Loechel (Waste Coordinator) – ex officio.	4 <sup>th</sup> November 2011 24 <sup>th</sup> February 2012 18 <sup>th</sup> May 2012
<b>Water Project Steering Committee:</b>	Mr Iain Wilson (Orroroo Carrieton), Mr Mark Hill (Flinders Ranges), Mr Richard Pym (Copper Coast), Cr Denis Clarke (Northern Areas). Ms Kelly-Anne Saffin/Saideh Kent (RDAY&MN), Mr Clark Inham/Ms Jennifer Munro/Kathie Bowman (Northern & Yorke NRM), Ms Kris Swaffer (DFW), Mr Paul Doherty (SA Water).	7 <sup>th</sup> July 2011 5 <sup>th</sup> August 2011 27 <sup>th</sup> October 2011 7 <sup>th</sup> May 2012
<b>Windfarm Project Steering Committee:</b>	Mayor Allan Aughey (C&GV), Cr Paul Kretschmer (Mt Remarkable), Gabby Swearse/Alan Thomson (NAC), Chris Gosling (Goyder). Kelly-Anne Saffin (RDA), Anne Brown (Greening Australia), Mary-Anne Young (RSSA). Mr Trevor White (Windfarm Liaison Officer) – ex officio.	10 <sup>th</sup> October 2011 24 <sup>th</sup> October 2011 7 <sup>th</sup> November 2011 30 <sup>th</sup> January 2012 18 <sup>th</sup> April 2012
<b>Executive Officer Performance Review Committee:</b>	Nil	Nil

## Regional Forums and Workshops

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

The forums and workshops provide an opportunity for greater awareness, understanding and engagement with various Central Local Government Region activities and increases the level of active involvement by stakeholders. The following issue-specific forums were held during the 2011/12 financial year.

29 <sup>th</sup> November 2011	Windfarm Planning Workshop, Clare
30 <sup>th</sup> January; 1 <sup>st</sup> & 3 <sup>rd</sup> February 2012	Waste Managers Sub-Regional Update Forums, Kapunda, Clare & Melrose
3 <sup>rd</sup> November 2011	Coastal Councils Annual Forum, Pt Germein
10 <sup>th</sup> November 2011 (cancelled)	Regional Transport Workshop – Special Local Roads Briefing, Crystal Brook
27 <sup>th</sup> September 2011 and 24 <sup>th</sup> February 2012	LG Reform Program 'Mid North Asset Management' Sub-Regional Update, Crystal Brook
28 <sup>th</sup> July 2011	Flood Damage Briefing with LGA and LG Disaster Fund, Pt Broughton
30 <sup>th</sup> March 2012	Regional Planning Review Forum, Pt Pirie – hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Yorke and Mid North
2-3 <sup>rd</sup> April 2012	National Broadband Network Sub-Regional Forums – hosted in conjunction with Regional Development Australia, Mallala, Clare, Kadina, Pt Pirie, Orroroo
3-4 <sup>th</sup> April 2012	Coastal Councils and Australian Government – Site Visits
10 <sup>th</sup> May 2012	Windfarm Industry Development Forum, Ardrossan – hosted with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Barossa and Yorke/Mid North
6 <sup>th</sup> June 2012	Ngadjuri #2 Native Title Claim Forum, Burra

# Achievements for 2011/12

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During the 2011/12 year, the Central Region continued to progress a number of priority activities, pursued under the three key target areas identified within the strategic and business plan:

## 1. Board Governance and Operations

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

### Achievements for 2011/12

- CLGR Board meeting agendas & minutes distributed in accordance with policy.
- Application to Minister for audit committee exemption.
- Committee operations executed within terms of reference.
- Attendance section 43 regional subsidiary training seminar.
- Central Region executive support operational review.

## 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 2011/12

- Allocation of \$320,000 CLGR reserve funds towards LG Reform sub-regional projects.
- Submit proposal for funding support for sub-regional projects to LGA.
- Mid North Asset Management project scoping study and project officer brief complete.
- Coordination of meetings with Flinders Shared Services Group and LGA.
- Attendance by Local Government Minister to quarterly meetings of Central Region.
- Attendance by Local Government Association (LGA) and Department of Planning and Local Government (DPLG) at Central Region quarterly meetings.
- Communications with LGA and Office of Local Government staff as required.
- Quarterly Council Chief Executive Officer's forum held.
- Coordination of Central Zone appointments to LGA State Executive Committee.
- Regional representation at SA Regional Organisation of Councils (SAROC) and LGA State Executive meetings.
- Attendance at Local Government Association SA general meetings and forums in Adelaide.
- Attendance at Australian Local Government Association assembly in Canberra.
- Communication with SAROC Executive Officers on key issues as required.
- Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate.
- Member of Parliament briefings as required.
- Monthly newsletter prepared and distributed.
- Regular ABC local radio and newspaper media coverage of Central Region projects and events.
- Central Region website updated.

### 3. Regional and Community Sustainability

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

#### Achievements for 2011/12

##### Regional Identity & Cohesion

- Convened Regional Strategic Alliance meetings with Northern & Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDA).
- Hosted Yorke/Mid North Annual Planning Review Forum in Port Pirie with NRM and RDA.
- Secured funding and ongoing support for annual planning forums from State Government.
- Review, feedback and ongoing liaison to LGA 'Growing Country Communities and Regional Development' policy.
- Coordinate LG nominees to Regional Development Australia (RDA) Yorke/Mid North.
- Panel member at PIRSA regional development forum.
- Convened update briefings of RDA and NRM to Central Region meetings.
- Participation in Regional Government Coordination Network.
- Continued Central Region office co-location with Regional Department of Transport, Crystal Brook.

##### Waste Management

- Funding of \$120,000 secured from ZWSA to engage Regional Waste Coordinator for 2 years.
- Regional waste management committee re-established.
- Attendance at LGA and ALGA Landfill and waste management forums.
- Waste management update forums held.
- Funding submissions to Mobile Muster prepared.
- Report to SAROC on waste service charges.
- Liaison with ZWSA and Councils regarding e-waste collections.
- Liaison with EPA regarding Illegal Dumping unit.
- Support to Councils regarding waste management issues, as required.

##### Transport

- Convened Central Region Transport Committee, including participation by DTEI and RDA.
- Assessment, inspection and regional submission to Special Local Roads program.
- Participation in RDA Regional Freight Forum, Wallaroo.
- Commitment towards development of Regional Transport Strategy with Regional Development Australia.
- Liaison with MP's and agencies regarding Central Region Council flood damage and need for review of disaster fund guidelines.
- Report to SAROC and drafted Notice of Motion to LGA General Meeting seeking review of LG Disaster Fund guidelines.
- Report to SAROC seeking support for a timely resolution by the Minister for Transport regarding the legal responsibilities for road reserves.
- Funding of \$90,000 secured for Local Road Flood Remediation project.
- Attendance at Roads Conference, Barossa.

##### Environment

- Convened meetings of Coastal Councils Network.
- Convened annual Coastal Councils forum at Pt Germein.
- Delivery of second year of \$700,000 Australian Government Caring for our Country Coastcare project.
- Development of Coastal Action Plan and funding proposal to Northern & Yorke NRM board.
- Local Government representative attendance at Regional NRM Board meetings.
- Supported NRM funding submission to Biodiversity fund.
- Participation in NRM Conservation Action Planning, Biodiversity fund and NRM Integration workshops.

**Water Resources**

- Continued funding of Technical Officer (Water) for access by Central Region Councils.
- Support for development of business cases and funding submissions for water projects.
- Convened Central Region Water Committee.
- Attendance at LGA Stormwater Management Agreement Review briefing and written submission.
- Report to SAROC on water charges for sporting and community groups.
- Attendance at LGA Murray Darling Basin Plan forum.
- Murray Darling Association Region 8 annual update to Central Region board.

**Climate Change and Emergency Management**

- Establishment of regional climate change project steering committee and technical panel.
- Hosted regional climate change vulnerability workshop in Clare.
- Completion of Regional Climate Change Vulnerability Assessment report.
- Presentation of Regional Climate Change report to various regional, state and national forums.
- Secured funding of \$40,000 from State Government towards engagement of Regional Climate Change Coordinator.
- Participation on LGA Climate Change Steering Committee.
- Coordinated LG representation to Yorke/Mid North Zone Emergency Management committees (ZEMC).
- Attendance ZEMC workshop.
- Report to SAROC seeking support to implement common boundary alignment; opportunities for greater regional resource sharing; and formal linkages and reporting between the Regional Zone Emergency Management Committees and Regional Bushfire Management Committees.
- Correspondence to Regional Bushfire Management committee regarding smoke drift and burning policies.
- Funding for Regional Climate Change Vulnerability Assessment with RDA, NRM and ZEMC support.
- Attendance at statewide Climate Change Sector Agreement forum in Adelaide.

**Community Wellbeing, Health and Prosperity**

- Convened and hosted regional visit by NBN co in conjunction with RDA.
- Meeting with NBN Co regarding anomalies in broadband rollout.
- Submission to Federal Regional Telecommunications review.
- Funding of \$150,000 secured from State Government for engagement of Windfarm Liaison Officer.
- Windfarm Project Steering committee established.
- Submission to State Government Windfarm Planning Reforms and Central Region delegation meetings with MP's and Agencies.
- Report to SAROC on windfarm development.
- Convened meeting of Ngadjuri #2 Native Title Claim Councils.
- Support for Light Regional Council Model and Guidelines to assist Local Governments to assess the long term economic and financial impacts of growth and any short term implications.
- Participation on LGA Sport and Recreation Committee.

# Audited Financial Statements 2011/12

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**IAN G McDONALD FCA**  
ABN: 13 550 494 869



**Chartered  
Accountant**

4 November 2012

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

Dear Mayor Maitland

Please be advised that I have now completed the external financial audit of the Region for the financial year ended 30 June 2012.

The audit opinion has been signed without qualification.

**1. Report on Matters Arising from the Audit**

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

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

The Auditor's Independence Declaration has been provided.

**2. Adequacy of the Internal Control Environment**

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

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

Liability limited by a scheme approved under Professional Standards Legislation

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206 Greenhill Road,  
Eastwood, SA, 5063

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Mobile: 0419 620 906  
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Facsimile: 8356 6397

Email: [imd1962@bigpond.net.au](mailto:imd1962@bigpond.net.au)

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McDonald', with a stylized, cursive script.

Ian Mc Donald

Cc: Sean Cheriton

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012	2011
		\$	\$
<b>INCOME</b>			
Council Contributions	3.	147,543	165,332
Grants, Subsidies and Other Contributions	4.	796,980	541,337
Investment Income	5.	22,516	22,108
Other Incomes	6.	14,320	19,500
<b>TOTAL INCOME</b>		<b>981,359</b>	<b>748,277</b>
<b>EXPENSES</b>			
Materials, Contracts & Other Expenses	7.	920,340	579,944
Depreciation		6,529	
<b>TOTAL EXPENSES</b>		<b>926,869</b>	<b>579,944</b>
<b>OPERATING SURPLUS (DEFICIT)</b>		<b>54,490</b>	<b>168,333</b>
Asset Disposal & Fair Value Adjustments	8.		(19,293)
<b>NET SURPLUS (DEFICIT)</b>		<b>54,490</b>	<b>149,040</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>54,490</b>	<b>149,040</b>

This Statement is to be read in conjunction with the accompanying notes.

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

**BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	NOTES	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	9.	586,594	544,362
Trade & Other Receivables	10.	86,078	38,201
<b>TOTAL CURRENT ASSETS</b>		<b>672,672</b>	<b>582,564</b>
<b>NON-CURRENT ASSETS</b>			
Infrastructure, Property, Plant & Equipment	11.	21,529	28,059
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,529</b>	<b>28,059</b>
<b>TOTAL ASSETS</b>		<b>694,201</b>	<b>610,623</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	12.	58,041	28,953
<b>TOTAL CURRENT LIABILITIES</b>		<b>58,041</b>	<b>28,953</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>58,041</b>	<b>28,953</b>
<b>NET ASSETS</b>		<b>636,160</b>	<b>581,670</b>
<b>EQUITY</b>			
Accumulated Surplus		303,660	249,170
Other Reserves		332,500	332,500
<b>TOTAL EQUITY</b>		<b>636,160</b>	<b>581,670</b>

This Statement is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
<b>2012</b>					
Balance at End of Previous Reporting Period	249,170			332,500	581,670
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
<b>RESTATED OPENING BALANCE</b>	<b>249,170</b>	<b>-</b>	<b>-</b>	<b>332,500</b>	<b>581,670</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>54,490</b>				<b>54,490</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					0
Transfer Between Reserves					0
<b>BALANCE AT END OF PERIOD</b>	<b>303,660</b>	<b>-</b>	<b>-</b>	<b>332,500</b>	<b>636,160</b>

	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
<b>2011</b>					
Balance at End of Previous Reporting Period	310,630			122,000	432,630
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
<b>RESTATED OPENING BALANCE</b>	<b>310,630</b>	<b>-</b>	<b>-</b>	<b>122,000</b>	<b>432,630</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>149,040</b>				<b>149,040</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					0
Transfer Between Reserves	(210,500)			210,500	0
<b>BALANCE AT END OF PERIOD</b>	<b>249,170</b>	<b>-</b>	<b>-</b>	<b>332,500</b>	<b>581,670</b>

This Statement is to be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTES	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Operating Receipts		922,632	721,114
Investment Receipts		24,457	19,310
GST Collected		91,978	70,132
GST Refund from the ATO		58,218	55,000
<i>Payments</i>			
Operating Payments to Suppliers & Employees		(893,925)	(553,594)
GST Payments on Purchases		(76,623)	(52,214)
GST Remitted to the ATO		(84,504)	(70,637)
<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>		<b>42,231</b>	<b>189,111</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts</i>			
Sale of Replaced Assets			35,541
<i>Payments</i>			
Expenditure on Renewal/Replacement of Assets			(61,063)
<b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>		<b>0</b>	<b>(25,523)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Receipts</i>			
<i>Payments</i>			
<b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>42,231</b>	<b>163,589</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>		<b>544,362</b>	<b>380,773</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	13.	<b>586,594</b>	<b>544,362</b>

This Statement is to be read in conjunction with the accompanying notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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.

**(a) 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:

The Barossa Council;	District Council of Mount Remarkable;
District Council of Barunga West;	Northern Areas Council;
Clare and Gilbert Valleys Council;	District Council of Orroroo / Carrieton;
District Council of the Copper Coast;	District Council of Peterborough;
The Flinders Ranges Council;	Port Pirie Regional Council;
Regional Council of Goyder;	Wakefield Regional Council; and
Light Regional Council;	District Council of Yorke Peninsula.
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.

**(b) Basis of Accounting**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by the Region by certificate under Regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 10 August 2012.

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

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 (\$).

**(c) 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.

**(d) Cash, Cash Equivalents & Other Financial Instruments**

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to Financial Instruments forms part of Notes 15 and 16.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**(e) Infrastructure, Property, Plant & Equipment**

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

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

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

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

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

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

**(f) Payables**

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

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

**(g) 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.

**(h) Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**(i) New 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 9	Financial Instruments
AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interests in Other Entities
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates & Joint Ventures
AASB 2010-6	Amendments to Australian Accounting Standards [AASBs 1 & 7]
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]
AASB 2011-5	Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
AASB 2011-12	Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]

NB. Standards not affecting Local Government Entities 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.

**(j) Subscriptions**

Clause 5.2 of the Charter of the Region prescribes that subscriptions by Constituent Councils will be decided at the Annual General Meeting. For 2011 / 2012 these were \$9,493 exclusive of GST.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**2. Functions / Activities of the Region**

Incomes and expenses have been attributed to the functions / activities which are described below.

The activities of the Region are categorised into the following broad programs:

General Operating Activities	Community Wellbeing & Prosperity
Local Government Leadership & Sustainability	Natural Resource Management
Roads & Transport	Water Resources
Regional Waste Management	Disaster & Emergency Management

Incomes, expenses and the carrying amount of assets which are reliably attributable to each of the listed functions & activities are reported on regularly throughout the year and are available upon request to the Executive Officer.

	NOTES	2012 \$	2011 \$
<b>3. COUNCIL CONTRIBUTIONS</b>			
General Operations		142,395	139,605
Regional Waste Study			20,000
Roads Project		5,148	5,727
		<u>147,543</u>	<u>165,332</u>
<b>4. GRANTS, SUBSIDIES &amp; OTHER CONTRIBUTIONS</b>			
Other Grants, Subsidies & Contributions		796,980	541,337
		<u>796,980</u>	<u>541,337</u>
<i>Sources of Grants</i>			
Commonwealth Government		352,000	417,000
State Government		334,000	89,800
Other		110,980	34,537
		<u>796,980</u>	<u>541,337</u>
<i>Conditions Over Grants &amp; 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:			
Unexpended at Close of Previous Reporting Period		225,809	117,559
Less: Expended During the Current Period from Revenues Recognised in Previous Reporting Periods:-			
Water Project		25,134	4,661
Natural Resources Management			6,513
Climate Change		74,201	76,310
Coastal Councils Project		126,473	3,023
Digital Television			17,518
		<u>225,809</u>	<u>108,024</u>
Plus: Amounts Recognised as Revenues in this Reporting Period but Not Yet Expended in Accordance with the Conditions:-			
Waste Management		5,584	
Water Project			25,000
Climate Change		75,153	64,800
Coastal Councils Project		55,104	126,473
Flood Remediation		9,910	
Wind Farm Liaison		76,065	
		<u>221,816</u>	<u>216,273</u>
Unexpended at Close of Reporting Period and held as Restricted Assets		<u>221,816</u>	<u>225,809</u>
Net Increase (Decrease) in Restricted Assets in Current Reporting Period		<u>(3,993)</u>	<u>108,249</u>
<b>5. INVESTMENT INCOME</b>			
Interest on Investments			
Local Government Finance Authority		21,431	20,993
Banks & Other		1,085	1,115
		<u>22,516</u>	<u>22,108</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012	2011
		\$	\$
6.	<b>OTHER INCOMES</b>		
	Vehicle Charges	10,000	10,000
	Project Management		9,500
	Sundry	4,320	
		<u>14,320</u>	<u>19,500</u>
7.	<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
	<i>Prescribed Expenses</i>		
	Auditor's Remuneration		900
	Auditing the Financial Reports	1,500	
	Other Auditors	220	
		<u>1,720</u>	<u>900</u>
	<i>Other Materials, Contracts &amp; Expenses</i>		
	Consultants & Contractors	769,677	495,974
	Energy / Fuel	3,801	4,737
	Donations	11,865	
	Grants	87,545	
	Members Allowances & Support	5,923	4,963
	Meeting Costs	2,929	3,981
	Liability Insurance	6,920	6,699
	Sundry	29,958	62,691
		<u>918,620</u>	<u>579,044</u>
		<u>920,340</u>	<u>579,944</u>
8.	<b>ASSET DISPOSAL &amp; FAIR VALUE ADJUSTMENTS</b>		
	Proceeds from Disposal		35,541
	Less: Carrying Amount of Assets Sold		54,834
		<u>0</u>	<u>(19,293)</u>
9.	<b>CASH &amp; CASH EQUIVALENTS</b>		
	Cash on Hand & At Bank	130,568	21,708
	Deposits at Call	456,026	522,654
		<u>586,594</u>	<u>544,362</u>
10.	<b>TRADE &amp; OTHER RECEIVABLES</b>		
	Accrued Revenues	6,715	6,320
	Debtors - General	79,364	31,882
		<u>86,078</u>	<u>38,201</u>
11.	<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
	<i>Valuation of Assets</i>		
	At 1 July 2004 upon the transition to AIFRS, the Region elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.		
	Pursuant to the Region's election, property, plant and equipment assets are recognised on the cost basis.		
	<b>PLANT &amp; EQUIPMENT</b>		
	At Cost	28,059	28,059
	Accumulated Depreciation	(6,529)	
		<u>21,529</u>	<u>28,059</u>
	Carrying Amount at Close of Previous Reporting Period	28,059	21,830
	Additions		61,063
	Disposals		(54,834)
	Depreciation	(6,529)	
	Carrying Amount at Close of Current Reporting Period	<u>21,529</u>	<u>28,059</u>
12.	<b>TRADE &amp; OTHER PAYABLES</b>		
	Goods & Services	58,041	28,953
		<u>58,041</u>	<u>28,953</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTES	2012 \$	2011 \$
<b>13. RECONCILIATION TO CASH FLOW STATEMENT</b>			
<i>Reconciliation of Cash</i>			
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 Statement of Financial Position as follows:			
Total Cash and Cash Equivalents	9.	586,594	544,362
Less: Short Term Borrowings	BS		
Balance per Cash Flow Statement		<u>586,594</u>	<u>544,362</u>
<i>Reconciliation of Change in Net Assets to Cash from Operating Activities</i>			
Net Surplus (Deficit)		54,490	149,040
Non-Cash Items in Income Statement			
Depreciation, Amortisation & Impairment		6,529	
Net (Gain) Loss on Disposals		<u>0</u>	<u>19,293</u>
		61,020	168,333
Add (Less): Changes in Net Current Assets			
Net (Increase) Decrease in Receivables		(47,877)	(8,174)
Net Increase (Decrease) in Trade & Other Payables		<u>29,089</u>	<u>28,953</u>
Net Cash Provided (or Used In) Operating Activities		<u>42,231</u>	<u>189,111</u>

**14. 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 placed on 24 hour call with the Local Government Finance Authority at market interest rates.
Carrying amount:	Approximates fair value due to the short term to maturity.

*Receivables - Fees & Other Charges*

Accounting Policy:	Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
Terms & conditions:	Unsecured, and do not bear interest. The Region is not materially exposed to any individual debtor, with credit risk exposure concentrated within the Region's boundaries.
Carrying amount:	Approximates fair value (after deduction of any allowance).

*Receivables - Other Levels of Government*

Accounting Policy:	Carried at nominal 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 the Governments of the Commonwealth & State.
Carrying amount:	Approximates fair value.

*Liabilities - Creditors and Accruals*

Accounting Policy:	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region.
Terms & conditions:	Liabilities are normally settled on 30 day terms.
Carrying amount:	Approximates fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

15. LIQUIDITY ANALYSIS	Instrument Due			Total	Total
	< 1 year	> 1 and < 5 yrs	> 5 years	Contractual Cash Flows	Carrying Values
<b>2012</b>					
<b>Financial Assets</b>					
Cash & Equivalents	586,594			586,594	586,594
Receivables	86,078			86,078	86,078
Other Financial Assets				0	0
<b>Total Financial Assets</b>	<b>672,672</b>	<b>0</b>	<b>0</b>	<b>672,672</b>	<b>672,672</b>
<b>Financial Liabilities</b>					
Payables	58,041			58,041	58,041
Current Borrowings				0	0
Non-Current Borrowings				0	0
<b>Total Financial Liabilities</b>	<b>58,041</b>	<b>0</b>	<b>0</b>	<b>58,041</b>	<b>58,041</b>
<b>2011</b>					
<b>Financial Assets</b>					
Cash & Equivalents	544,362			544,362	544,362
Receivables	38,201			38,201	38,201
Other Financial Assets				0	0
<b>Total Financial Assets</b>	<b>582,564</b>	<b>0</b>	<b>0</b>	<b>582,564</b>	<b>582,564</b>
<b>Financial Liabilities</b>					
Payables	28,953			28,953	28,953
Current Borrowings				0	0
Non-Current Borrowings				0	0
<b>Total Financial Liabilities</b>	<b>28,953</b>	<b>0</b>	<b>0</b>	<b>28,953</b>	<b>28,953</b>

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

	2012		2011	
	Weighted Ave Interest Rate	Carrying Value	Weighted Ave Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	N/A	0	N/A	0
Other Variable Rates	N/A	0	N/A	0
Fixed Interest Rates	N/A	0	N/A	0
		<u>0</u>		<u>0</u>

**Net Fair Value**

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

**Risk Exposures**

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Region is the carrying amount, net of any allowance for doubtful debts. All Region investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in the Notes in relation to individual classes of receivables (if applicable), 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 Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. The Region 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**16. LIQUIDITY ANALYSIS (CONT.)**

*Net Fair Value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. Due to the nature of the financial instruments held by the Region, the costs associated with their settlement would not be material and therefore have not been considered.

*Credit Risk Exposure*

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Region which have been recognised in the Balance Sheet (if any) is the carrying amount, net of any provision for doubtful debts. The Region does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

	NOTES	2012	2011
		\$	\$
<b>RECONCILIATION OF FINANCIAL ASSETS &amp; LIABILITIES</b>			
<i>Excess of Financial Assets over Liabilities</i>			
Financial Assets		665,958	576,244
Financial Liabilities		(58,041)	(28,953)
		<u>607,916</u>	<u>547,292</u>
<i>Non-Financial Assets (Liabilities)</i>			
Accrued Revenues		6,715	6,320
Property, Plant & Equipment		21,529	28,059
		<u>28,244</u>	<u>34,379</u>
<i>Net Assets per Balance Sheet</i>		<u>636,160</u>	<u>581,670</u>

17. FINANCIAL INDICATORS	2012	2011	2010	2009
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.				
<b>Operating Surplus</b>	54,490	168,333	(151,685)	232,911
<i>Being the operating surplus (deficit) before capital amounts.</i>				
<b>Operating Surplus Ratio</b>	N/A	N/A	N/A	N/A
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>				
<b>Net Financial Liabilities</b>	(614,631)	(553,611)	(410,801)	(562,951)
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Region's businesses).</i>				
<b>Net Financial Liabilities Ratio</b>	(63 %)	(74 %)	(103 %)	(84 %)
<b>Interest Cover Ratio</b>	(2.3 %)	(3.0 %)	(3.4 %)	(2.2 %)
<b>Asset Sustainability Ratio</b>	N/A	N/A	N/A	N/A
<b>Asset Consumption Ratio</b>	N/A	N/A	N/A	N/A

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**18. UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of the Region prepared on a simplified Uniform Presentation Framework basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

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

	2012	2011
	\$	\$
Income	981,359	748,277
less Expenses	(926,869)	(579,944)
	54,490	168,333
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	0	(61,063)
less Depreciation, Amortisation and Impairment		
less Proceeds from Sale of Replaced Assets	0	35,541
	0	(25,523)
<b>Net Outlays on New &amp; Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	0	0
less Amounts Received Specifically for New and Upgraded Assets	0	0
less Proceeds from Sale of Surplus Assets	0	0
	0	0
<b>Net Lending (Borrowing) for Reporting Period</b>	<b>54,490</b>	<b>142,811</b>

**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 arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The Region has no interests in Joint Ventures or Associated Entities.

Although the Region itself is a Regional Subsidiary established by the 15 Member Councils (as listed in Note 1 (a)), 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 2012**

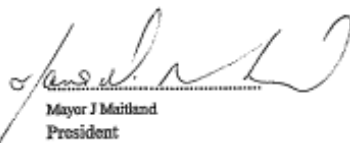
**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by the **CENTRAL LOCAL GOVERNMENT REGION OF SA INC.** to certify the financial statements in their final form. In our opinion:-

- the accompanying financial statements comply with the Local Government Act 1999, the 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 2012 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.

  
.....  
A. Crisp  
Executive Officer

10/08/2012  
.....  
Dated

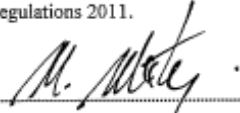
  
.....  
Mayor J Maitland  
President

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

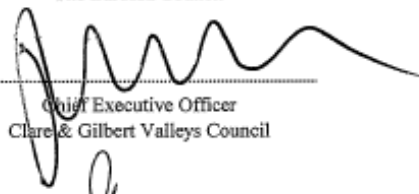
CERTIFICATION OF AUDITOR INDEPENDENCE

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 2012, the Association's Auditor, Ian G McDonald, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

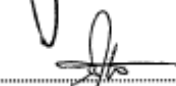
This Statement is prepared in accordance with the requirements of Regulation 22(3) of the Local Government (Financial Management) Regulations 2011.



Chief Executive Officer  
The Barossa Council



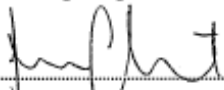
Chief Executive Officer  
Clare & Gilbert Valleys Council



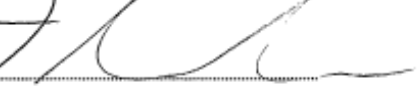
Chief Executive Officer  
The Flinders Ranges Council



Chief Executive Officer  
Light Regional Council



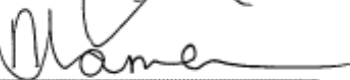
Chief Executive Officer  
District Council of Mount Remarkable



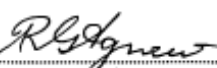
Chief Executive Officer  
District Council of Orroroo Carrieton



Chief Executive Officer  
Port Pirie Regional Council



Chief Executive Officer  
District Council of Yorke Peninsula



Presiding Member  
Central Local Government Region Audit Committee



Chief Executive Officer  
District Council of Barunga West



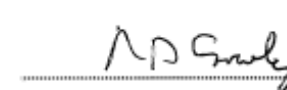
Chief Executive Officer  
District Council of the Copper Coast



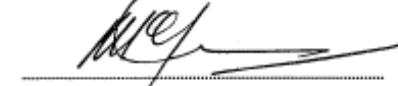
Chief Executive Officer  
Regional Council of Goyder



Chief Executive Officer  
District Council of Mallala



Chief Executive Officer  
Northern Areas Council



Chief Executive Officer  
District Council of Peterborough



Chief Executive Officer  
Wakefield Regional Council



President  
Central Local Government Region  
Board of Management




**CENTRAL LOCAL GOVERNMENT REGION OF SA INC**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Central Local Government Region of SA for the year ended 30 June 2012, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Ian G McDonald FCA**

Dated this 31 day of July 2012



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

I have audited the accompanying financial report of the Central Local Government Region of SA Inc which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2012.

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

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

**Auditor's Responsibility**

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

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

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

**Independence**

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

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc as of 30 June 2012, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed 4 day of November 2012, at Eastwood, South Australia

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206 Greenhill Road,  
Eastwood, SA, 5063

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SA 5022

Mobile: 0419 620 906  
Residence: 8356 0825  
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