



**The Flinders
Ranges Council**

ANNUAL REPORT 2017-2018

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9 October 2018



VISION

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

OBJECTIVES

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

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THE FLINDERS RANGES COUNCIL FINANCIAL STATEMENTS 2017-2018

FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT 2017-2018

LEGATUS GROUP (FORMERLY CENTRAL LOCAL GOVERNMENT REGION) ANNUAL
REPORT 2017-2018

COUNCIL PROFILE

Basic Statistics

Area	4,128 square kilometres
Population	1,643 (ABS Census 2016)
Sealed Roads	41 kilometres
Unsealed Roads	1,225 kilometres
Number of Rateable Properties	1,610
Total Revenue (including Rates)	\$4.65m
Rate Revenue (including CWMS & Garbage)	\$2.22m
Total Expenditure	\$5.57m
Total Capital Expenditure	\$2.40m

Local Industries

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

Major Tourist Attractions

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

Council

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

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

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

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

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

Elected Members

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

Mayor	Peter Slattery
Deputy Mayor	Ken Anderson
Councillors	Ronald (Mopsy) Daniel Nicole Downing Greg Flint Julian Hipwell Scott Reubenicht Clinton Ryks-Jones (until 17 October 2017) Garry Thompson (until 4 December 2017) Patricia Reynolds (from 13 March 2018) Andrew Smith (from 13 March 2018)

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

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

Elected Members' Allowances

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

Annual Allowances as at 30 June 2018:

➤ Mayor	\$23,772.00
➤ Deputy Mayor	\$ 7,428.76
➤ Elected Member - Quorn	\$ 5,943.00
➤ Elected Member - Hawker	\$ 6,527.00

The two Hawker based Elected Members receive an additional \$584.00 per annum to cover travel time to Quorn every month including Hawker Meetings. Quorn Elected Members do not receive any travel time allowance for travelling to Hawker every 3 months.

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

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

Training and Development Opportunities for Elected Members

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

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

The following table details training undertaken by Elected Members pursuant to Council Training and Development for Elected Members Policy in 2017-2018:

Elected Members	Total					Total
	July 2017	October 2017	November 2017	April 2018	May 2018	
Mayor Peter Slattery	X	X	X	X	X	5
Cr Ken Anderson	X				X	2
Cr Mopsy Daniel	X	X	X	X	X	5
Cr Nicole Downing	X	X		X	X	4
Cr Greg Flint	X	X	X	X	X	5
Cr Julian Hipwell		X	X	X	X	4
Cr Scott Reubenicht				X	X	2/2
Cr Clinton Ryks-Jones						0/1
Cr Garry Thompson	X					1/1
Cr Patricia Reynolds				X	X	2/2
Cr Andrew Smith				X	X	2/2
Total training modules	1	1	1	1	1	6

Elector Representation

Number of Electors (as at 28 February 2018)

1,196

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

Council	Elected Members	Electors	Wards	Ward Quota
Cleve	8	1,265	1	158
Elliston	8	722	1	90
Flinders Ranges	9	1,174	1	130
Franklin Harbour	6	911	1	151
Karoonda-East Murray	7	771	1	110
Kimba	7	796	1	113
Orroroo Carrieton	7	708	1	101
Robe	7	1,277	1	182
Streaky Bay	8	1,552	2	194
Wudinna	7	847	1	121
Average excluding FRC	7	983	1	140

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

Council	Elected Members	Electors	Wards	Ward Quota
Mount Remarkable	7	2,162	2	308
Peterborough	9	1,220	1	135
Northern Areas	9	3,423	4	380

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

Council	Elected Members	Electors	Wards	Ward Quota
Port Augusta	10	9,570	1	957

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

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

Use of Confidentially Provisions

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

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

The following table summarises the use (Section 90(2)) and release (Section 91(7)) of matters considered in confidence under Section 90(2) of the *Local Government Act 1999* for the period 1 July 2017 to 30 June 2018:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
21 Nov 2017	90(3)(a)	226/2017	12 Dec 2017	12 Dec 2017


Regional Subsidiaries

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

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

Council was a “*relevant Council*” of the Flinders Regional Development Assessment Panel pursuant to Section 34(3) and Schedule 29 of the *Development Act 1993* until 30 September 2017.

The Annual Report of the Flinders Regional Development Assessment Panel for the period 1 July 2017 to 30 September 2017 is incorporated in this Annual Report.

	<p style="text-align: center;">GOVERNANCE</p> <p style="text-align: center;">ANNUAL REPORT</p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>10 October 2009 October 2018 November 2019 18.68.1.1</p>
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Pursuant to Section 84 and Clause 13 of Schedule 8 of the *Planning, Development and Infrastructure Act 2016*, the Minister for Planning constituted, by notice in the Gazette, the Flinders Regional Assessment Panel from 1 February 2018 to 30 September 2019 as successor to the Flinders Regional Development Assessment Panel constituted under the *Development Act 1993*.

The Annual Report of the Flinders Regional Assessment Panel for the period 1 February 2018 to 30 June 2018 is incorporated in this Annual Report.

Human Resources

The Flinders Ranges Council is an equal opportunity employer.

As at 30 June 2018, The Flinders Ranges Council employed 11.2 FTE males and 5.7 FTE females. Council also has full-time 3 trainees (2 female, 1 Male) supplied by CEG. Council currently employs no one with a registered disability and 1 person of Aboriginal and Torres Island descent.

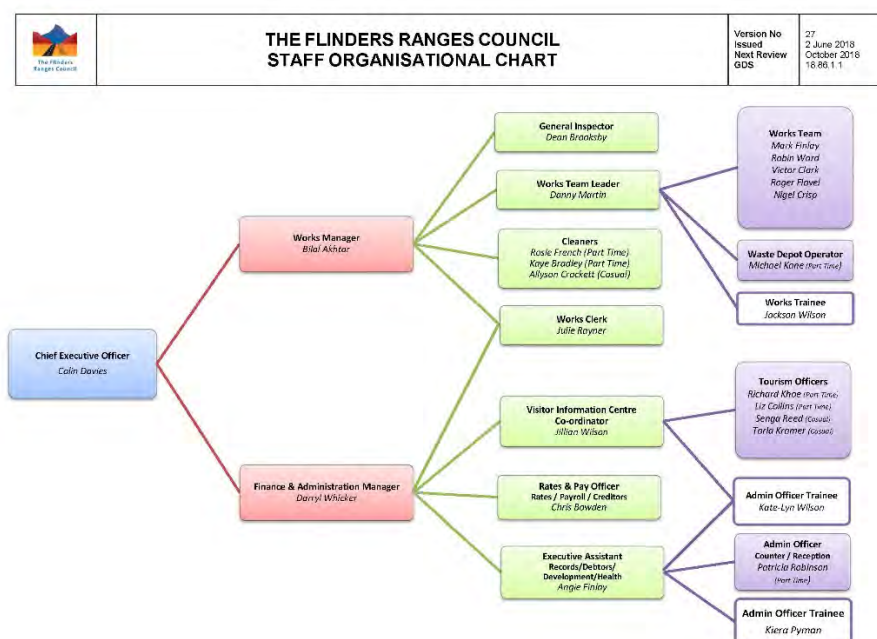
Senior Executive

Three (3) Senior Executives are employed on a negotiated contract basis. The contracts do not provide bonuses, but some contracts include an allowance for telephone, reimbursement of work related call costs made from that telephone, internet and the use of a Council provided motor vehicle for business and private use. Refer to page 24 for further clarification.

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

Council Organisation Structure

The following diagram shows the staff organisation structure of The Flinders Ranges Council as at 30 June 2018:



Above the Chief Executive Officer sits the Management Team (Mayor, Chief Executive Officer, Works Manager, Finance and Administration Manager). Above the Management Team sits the Council (Elected Members).

MAYOR'S REPORT

This past year has once again, like most before it, been a time of some significant challenges for the Council and our community. The usual balancing exercise between the needs, desires and aspirations of the community against increasing costs, ongoing cost shifting and increased regulatory burdens, whilst working diligently to minimise costs to our ratepayers. The continuing debate around the proposed National Radioactive Waste Management Facility, which remains a major issue for all of our community, being two at the top of the list.

The Council, as an elected body, has seen a couple of changes in membership. Cr Ryks-Jones was removed after his employment situation led to him being absent from meetings, and in December 2017 Cr Thompson passed away after 15 years of valuable service to his community as an elected member of Council. This situation led to a Supplementary Election in February 2018 to fill the two vacancies. A strong field of new nominees saw Cr Andy Smith and Cr Patsy Reynolds elected to Council, and both have shown solid commitment to their roles.

Council has seen a couple of changes in senior management staff as well during this year – Darryl Whicker has been appointed to the role of Finance and Administration Manager (replacing Elizabeth White who resigned for personal reasons after a short time in the role), and Bilal Akhtar has been appointed Works Manager (replacing Roy O'Connor, after a number of years of service in that role). Council is confident that these new appointments, with their expertise, energy and renewed focus on efficiency, process and accountability will provide good outcomes for the Council and our community.

Whilst the works program and some projects have again lagged somewhat, we've been fortunate in securing grant funding to support a couple of longer-term aspirational projects for our region. Amongst these are the Hawker Community Gym project, a facility which has been proposed since the design stages of the new Hawker Swimming Pool almost ten years ago, and the long-awaited Flinders Ranges Skate Park in Quorn, another project which has been proposed for over 10 years. Both of these projects (amongst others) have received substantial funding through the NRWMF Community Benefit Package, which has enabled us to undertake establishment of desired community facilities at much reduced cost impost on our ratepayers.

Alongside that, Council has maintained it's usual works and roads program, and managed it's affairs and funds to ensure appropriate service provision to our community occurs, in a sustainable and efficient operating environment.

I acknowledge the commitment and service of all our staff, Council's Elected members, and the numerous volunteers who assist in keeping our part of the country such a great place to live.

Peter Slattery
Mayor

OFFICERS' REPORTS

Chief Executive Officer

The 2017-2018 financial year continued to be very taxing for staff with the State Government's ongoing introduction of new legislation, adding additional cost and compliance requirements for Council with no additional resources allocated. Ongoing changes to legislation and regulations have continued to be scheduled as the State Government looks at new ways to raise their revenue at the expense of Local Government and ratepayers. This ongoing and continuous "cost-shifting" by the State Government remains a burden on the community through increased rates and, to a lesser degree, increased fees and charges.

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

Council shared the following services with other Councils during 2017-2018:

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

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

Public consultation undertaken during the year included the Annual Business Plan 2017-2018, Budget 2017-2018 and Long Term Financial Plan 2017-2037; a range of new and updated Council policies and Terms of Reference; and Rating Discussion Paper 2017-2018. Council also consulted on the Quorn and Hawker Traffic Management and Parking Plans.

Council actively seeks additional funding opportunities to enhance Council's sustainable provision of infrastructure and services and improve the quality of life for its residents and businesses. This is not confined to grants, but also through collaborative projects and private investment.

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Council has continued to be very successful in obtaining grants in 2017-2018, most of which were competitive.

The Flinders Ranges Council continued programmed replacement and upgrade of Council infrastructure in 2017-2018. The Works Manager has highlighted some of the upgrades such as Carrieton Road construction and sealing and Flinders Ranges Skate park.

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

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

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

Council welcomed new staff Darryl Whicker, Bilal Akhtar and Tarla Kramer during 2017-2018. Unfortunately, Roy O'Connor, Tony Agnew, Elizabeth White, Robert Hatch and Liam McKenzie departed for greener pastures during the year.

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

Finally, the sustainable provision of a wide range of services and the maintenance of infrastructure remains a key challenge for our Council, which continues to pursue alternative service delivery models including shared services and joint operations. However, the probable introduction of rate capping by a State Liberal Government will unfortunately have a very negative impact on the range and level of services provided by Council and result in less staff (being the main cost factor of councils).



Colin Davies
Chief Executive Officer

Works Manager

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

Plant Replacement Program

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

- ✓ A new Front Deck Mower with Roll Over Protection System (ROPS) ;
- ✓ Used Caterpillar 140 M Grader
- ✓ Various small plant and machinery for maintenance of Council infrastructure including spray equipment, leaf blowers and tools.

Capital and Works Program

The following works were completed during the reporting year:

- ✓ Sections of Carrieton Road and Airport Road were upgraded to a sealed standard from the Flinders Ranges Way to Quorn Airstrip;
- ✓ Pavement reconstruction works were undertaken at Quorn airstrip ;
- ✓ Francis, Williams and Leslie streets were upgraded to a sealed standard (Roads to Recovery Project);
- ✓ Softfall was replenished and maintenance/replacement of playground equipment was carried out in Quorn;
- ✓ New wear mats were installed under swings at Thompson Park Playground;
- ✓ Vandalised bench seat was repaired at Thompson Park Playground;
- ✓ Repainting and repairs to BBQ shelters were undertaken at Thompson Park;
- ✓ Re-mulching of town entrances and other various locations was undertaken throughout both Quorn and Hawker;
- ✓ Yarrah Vale Gorge Road was widened at top of hill with dozer due to road being too narrow and the steepness of the road at that section;
- ✓ New town oval irrigation pump was installed at Quorn;
- ✓ Wastewater desludging works were undertaken at Hawker;
- ✓ Fence reinstatement works were undertaken at Hawker waste depot;
- ✓ Floodway repair works (including replacement of culverts) was undertaken on Yappala Road and Quarry Road;
- ✓ New roof (with box gutter, roll top ridge and vents) was installed at Memorial Hall;
- ✓ Insulation and replacement of roof, gutters, ridge, fascia and associated works were undertaken at Hawker Institute;
- ✓ New air-conditioners were installed at the Hawker institute;
- ✓ New floor covering was installed at the Hawker institute;
- ✓ New corrugated roof with gutter, roll top ridge and associated works were undertaken at the Craft Shop, Quorn;
- ✓ Stormwater drainage & surface sealing works were completed at Quorn depot;
- ✓ New electric gates were installed at the Quorn depot;
- ✓ Fire track reinstatement works were undertaken (externally funded works);
- ✓ Routine patrol grading was undertaken;

Re-sheeting

✓ Depot Flat Road	1.0 km;
✓ Richman Valley Road	1.0 km;
✓ Altmann Road	1.3 km;
✓ Quarry Road	1.5 km;
✓ Carrieton Road	3.0 km;
✓ Buckaringa Scenic Drive	1.0 km;
✓ Gunyah Road	1.4 km;
✓ Yednalue Road	1.0 km.
Total:	11.2 km

Compliance

The table below details the General Inspectors activity during 2017-2018:

Month	Dog Attacks, Harassment	DAH Explanations Issued	Wandering Dog	WD Warnings Issued	WD Explanations Issued	Unregistered Dogs	Impounded Dogs	Barking Dog Complaints	BDC Warnings Issued	BDC Explanations Issued	Cat Complaints	Cat Warnings Issued	Parking Illegally	Parking Verbal Warnings	Parking Explanations Issued	Local Nuisance Complaints	LNC Warnings Issued	LNC Explanations Issued	Litter Complaints	Litter Warnings Issued	Litter Explanations Issued	Other	Current Cats Registered	Current Total Dogs Registered
2015-16	4	6	33	17	7	0	0	14	8	0	27	23	31	36	0	-	-	-	-	-	-	0		582
2016-17	13	5	51	23	21	12	12	3	2	0	43	0	7	4	0	0	0	0	0	0	0	0		498
July	1	1	1	0	1	1	1	0	0	0	1	0	1	1	0	3	2	0	0	0	0	0		218
August	2	2	2	0	2	0	0	0	0	0	2	0	2	1	0	0	0	0	0	0	0	0		421
September	1	0	0	0	0	0	0	1	1	0	0	0	1	1	0	0	0	0	0	0	0	0		441
October	2	2	2	0	2	0	0	1	1	0	2	0	2	2	0	0	0	0	0	0	0	0		462
November	1	0	1	0	0	0	1	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0		474
December	0	0	0	0	0	0	0	1	1	0	1	1	0	0	0	1	0	0	0	0	0	0		475
January	0	0	1	0	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0		475
February	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		475
March	0	0	5	0	0	2	2	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0		479
April	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0		485
May	0	0	3	0	0	0	0	0	0	0	1	0	2	2	0	0	0	0	0	0	0	2	20	515
June	1	1	1	0	1	0	0	0	0	0	2	0	1	0	0	3	1	0	0	0	0	2	20	515
TOTAL	11	6	18	1	6	3	5	6	4	0	10	2	9	7	0	10	4	0	0	0	0	4		



Bilal Akhtar
Works Manager

Development Officer

Tung Pham (Development Officer to March 2018), Yantel Burns (Development Officer April to June 2018) and Nick Heron (Building Officer) started in March 2015 as Council's Development Officer and Building Officer on a fee for service basis from Port Augusta City Council.

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

Development Approvals

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

Class	Description	2014-2015	2015-2016	2016-2017	2017-2018
		Number of Applications	Number of Applications	Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	8	9	6	8
1b	Boarding House, Guest House, Hostel	1	1	0	0
2	Building containing 2 or more units	0	0	0	0
3	Residential Building (e.g. aged)	1	0	0	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	2	0	0	0
5	Office building	1	0	1	1
6	Shop or other building	3	0	2	2
7	Carpark or building for storage, display of goods or produce for sale	0	0	0	0
8	Laboratory	0	1	0	0
9	Health Care building	0	0	0	3
10a	Non-habitable building or structure (e.g. verandah, garage, shed)	19	37	23	40
10b	Swimming Pool, fence mast or antenna	4	3	2	4
Land Division Applications		0	0	1	1
Total Applications and Development Cost		39 Total Value \$4,310,610	51 Total Value \$1,712,353	35 Total Value \$1,951,195	59 Total Value \$4,696,645

Strategic Directions Report

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

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

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

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

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

Referral

Council referred nil applications to the Flinders Regional Development Assessment Panel (1 July 2017 to 30 September 2017), and nil applications to Flinders Regional Assessment Panel (1 February 2018 to 30 June 2018).

Yantel Burns
Development Officer

Environmental Health Officer

Brian Sickles (PPRC) is a part-time Environmental Health Officer. Brian Sickles is employed by Port Pirie Regional Council and is engaged on a fee for service basis.

Key Statistics for the year 2017-2018 Financial Year:

- 12 inspections of food premises were conducted
- 3 inspections of other premises were conducted
- 2 written warnings were issued
- 4 high risk manufactured water systems (warm water systems) were inspected and renewed for 2017-2018.
- 12 wastewater system applications were approved in 2017-2018.

Brian Sickles
Environmental Health Officer

PUBLIC PARTICIPATION AND ACCESS TO COUNCIL DOCUMENTS

Public Participation

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

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

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

Access to Council Documents:

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

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

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


Other Information Requests

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

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

Any request for information should be addressed to the:

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

	<p style="text-align: center;">GOVERNANCE</p> <p style="text-align: center;">ANNUAL REPORT</p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>10 October 2009 October 2018 November 2019 18.68.1.1</p>
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Public Consultation

The Flinders Ranges Council has adopted a Public Consultation Policy in accordance with Section 50 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 14 August 2012 and in July 2015. Next review due September 2017.

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

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

Internal Review of Council Decisions

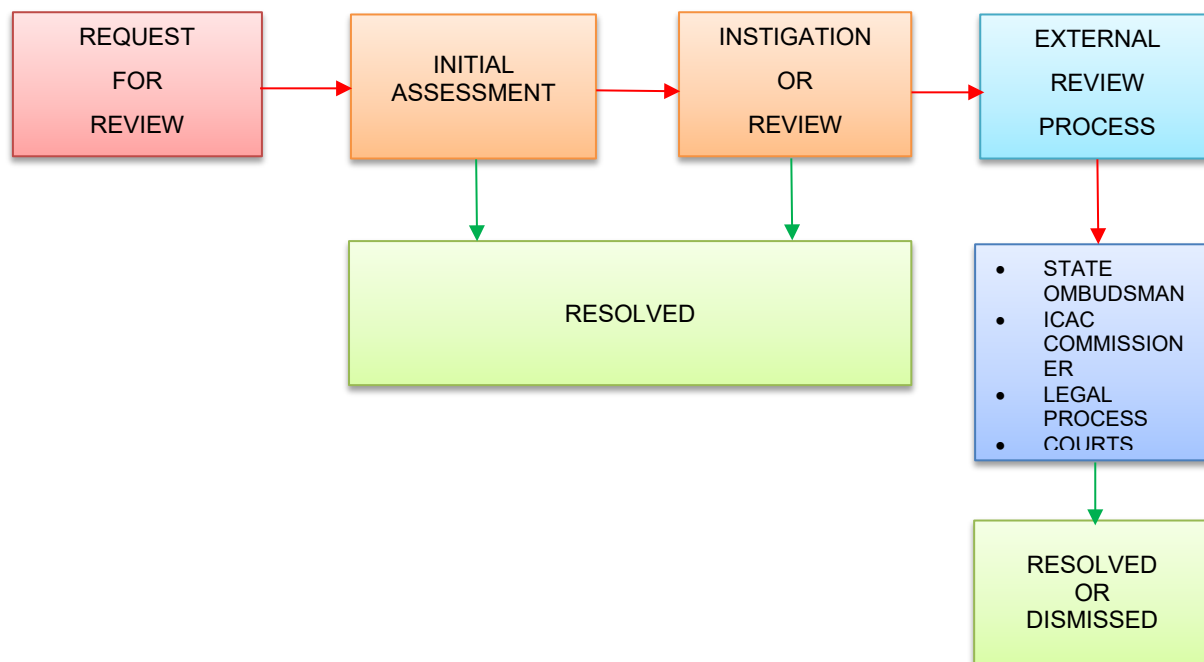
The Flinders Ranges Council is committed to transparent decision-making processes, and to providing access to a fair and objective procedure for the internal review of decisions.

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

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

The Flinders Ranges Council's Internal Review of Council Decisions Policy, has been adopted in accordance with Section 270 of the *Local Government Act 1999*. This policy was formally reviewed by Council on 20 December 2016 to incorporate changes recommended by the Ombudsman following a report issued by the Ombudsman. Council's public Consultation Policy is one aspect of Council's customer focused approach to service delivery. It provides a further opportunity to review the way Council provides services to the community, and to identify areas for improvement.

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



During 2017-2018 reporting year, Council received no requests for the Internal Review of Council Decision under Section 270 of the *Local Government Act 1999*.

Freedom of Information

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

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

During the 2017-2018 reporting year, Council received one request under the *Freedom of Information Act 1991* from a Member of Parliament.

Freedom of Information activity								
Reference Number	Date	Applicant	Description	Full Access	Part Access	Other	Fee	Hours
NGO012018	20-Jan-18	Tung Ngo- Parliament House	Address of each property which is defined for rating purposes as either public housing, community housing or housing SA.	Yes	-	-	-	2

Council currently has 2 FOI Officers (being the Chief Executive Officer and the Executive Assistant) as at 30 June 2018.

Amendment of Council Records

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

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

Application of National Competition Policy to Local Government

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

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

Council did not review or propose any By-laws during 2017-2018 subject to the *Government Business Enterprises (Competition) Act 1996*.

Procurement - Competitive Tender and Local Purchasing

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

Council has reviewed and updated this policy on 21 November 2017.

Public Access to Council Documents

During 2017-2018 Council applied the provisions of Section 90(2) of the *Local Government Act 1999* during the reporting year as per the table below:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
21 Nov 2017	90(3)(a)	226/2017	12 Dec 2017	12 Dec 2017

Strategic Management Plan


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

During 2017-2018 Council has achieved in all key areas of performance against the seventeen key objectives outlined in the Council Strategic Management Plan 2012-2022.

Annual Business Plan

Council has successfully minimised the financial impact of external factors beyond its control in its Annual Business Plan 2017-2018 and has continued to maintain and enhance delivery of all services imposed by the *Local Government Act 1999*, the *Development Act 1993* and other applicable legislation enacted by Federal and State Governments.

The Annual Business Plan 2017-2018 was adopted on 27 July 2017.

	<p style="text-align: center;">GOVERNANCE</p> <p style="text-align: center;">ANNUAL REPORT</p>	<p>Version Number Issued Last Review Next Review GDS</p>	<p>10 October 2009 October 2018 November 2019 18.68.1.1</p>
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Council has reviewed the 2017-2018 budget against audited actuals pursuant to Regulation 10 of the *Local Government (Financial Management) Regulations 2011*. All variations over 10% have been noted in the FRC Financial Statements 2017-2018.

Long Term Financial Plan

Council has been targeting long-term sustainability and increasing its own source income to reduce the impact of external factors and has continued to maintain and enhance delivery of all services in this process.

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

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

The Long Term Financial Plan 2017-2037 was adopted on 27 July 2017.

Community Land Management Plan

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

Council has commenced reviewing the Community Land Management Plan which should be finalised during 2018-2019.

Auditor's Remuneration

Galpins Accountants, Auditors and Business Consultants have been awarded the contract from the 2017-2018 year audit (3 +2 contract). The contracted fee is \$19,900 for the 2017-2018 audit and indexed annually.

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

Decision Making Structure

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

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

Council delegates various functions to the staff to enable services and infrastructure to be provided to the community in a timely manner (refer Page 27).

Volunteers

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

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

All volunteers make a significant contribution to our communities.

WHS and Risk Management

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

Item	Number Conducted During 2016-2017	Number Conducted During 2017-2018
Contractor Induction & Update	28	36
Risk Assessments – Substances	3	0
Risk Assessments – Task	16	10
Risk Assessments – Plant	23	35
Internal Audits	0	1
Safe Work Instructions (SWIs)	6	3
WHS Meetings	6	5
Works Staff Meetings	12	10
Admin Staff Meetings	12	11
Accident / Incident Investigations	29	41
CAPA Register – new items during year	16	17
CAPA Register – Open Items as at 30 June	27	26
WHS Policy / Procedure Reviews	7	8

Council continues to work through its WHS Plan:

WHS, IM & ERM Plan 2018-20 Year 1 Progress				
	April	May	Jun	Jul
Items Planned	8	3	3	3
Items Completed	8	3	3	3
% Planned Vs Completed	100%	100%	100%	100%

The Local Government Association Workers Compensation Scheme is working with Councils to ensure compliance.

A summary compliance calendar for 2017-2018:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Workplace Inspections	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Chemical Management				100%		0%	Merged with register updates from Jan 2018					
Scheduled Meetings	100%	100%	100%	100%	75%	100%	100%	67%	60%	86%	100%	100%
Register Updates	50%	0%	50%	100%	100%	100%	100%	100%	100%	100%	67%	100%
Testing & Tagging		100%	100%	100%		100%	Merged with register updates from Jan 2018					
Emergency Preparedness	100%		0%		0%	0%	100%	100%	100%	100%	100%	100%
Equipment Checks	Tracked from Jan 2018							100%	75%			
Planned Vs Completed	90%	90%	88%	100%	89%	83%	100%	90%	88%	95%	94%	100%

Local Nuisance and Litter Control

Council has no report to make pursuant to Section 8 of the *Local Nuisance and Litter Control Act 2016* for the 2017-2018 reporting year.

STAFF

Administration

Chief Executive Officer	Colin Davies
Finance and Administration Manager (from 22Jan18)	Darryl Whicker
Finance and Administration Manager (to 13Oct17)	Elizabeth White
Rates / Payroll and Administration Officer	Chris Bowden
Asset Management / Contracts (to 29Oct17)	Tony Agnew
Executive Assistant	Angie Finlay
Administration Officers	Patricia Robinson

Flinders Ranges Visitor Information Centre (FRVIC)

FRVIC Co-ordinator	Jillian Wilson
Tourism Officers (Casual)	Richard Khoe / Liz Collins
	Senga Reed / Tarla Kramer (from 14Sep17)

Operations

Works Manager (from 19Feb18)	Bilal Akhtar
Works Manager (to 02Jun18)	Roy O'Connor
General Inspector	Dean Brooksby
Works Clerk	Julie Rayner
Team Leader	Danny Martin
Plant Operators / Maintenance Workers	Robin Ward
	Liam McKenzie (to 11Apr18)
	Victor Clark
	Mark Finlay
	Roger Flavel
	Robert Hatch (to 08Dec17)
	Nigel Crisp
Waste Depot Operator	Michael Kane
Cleaners	Rosalie French / Kaye Bradley / Allyson Crocket

Contract Staff

Planning Consultant	Tung Pham (PACC) / Yantel Burns (PACC)
Building Consultant	Nick Heron (PACC) / Harmer CLG
EHO – Food Safety	Brian Sickles (PPRC)
EHO – CWMS	Brian Sickles (PPRC)
CWMS Technical	Chris Brideson
WHS	James Holmes (PACC)
Legal Advisors	Norman Waterhouse, Wallmans & Kelledy Jones
	Lawyers
Auditor	Galpins Accountants, Auditors & Business Consultants
Insurers	Local Government Risk Services

Seasonal Staff

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

Senior Officers (included above)

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

The Works Manager is paid to compensate for time worked outside normal office hours. Council also meets the cost of telephone rental and any work related calls reimbursed.

The Finance and Administration Manager is paid to compensate for time worked outside normal office hours. Council also meets the cost of telephone rental and any work related calls reimbursed.

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

OTHER

Registers

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

Governance and Community Development

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

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

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

Distribution of Information

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

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

2018 Australia Day Awards

The following 2018 Australia Day Awards were made by Council:

*Citizen of the Year – Janice McInnis; Young Citizen of the Year – Karl Finlay
Community Event of the Year – Flinders Fest*

COUNCIL COMMITTEES AND DELEGATES

Council Committees

Statutory / Management Committees (appointed by Council)

Audit Committee (Sec 126 *Local Government Act 1999*)
Flinders Regional Development Assessment Panel (Sec 34 *Development Act 1993*)
Flinders Regional Assessment Panel (Sec 84 *Planning Development & Infrastructure Act 2016*)
Flinders Ranges Visitor Information Centre Management Committee (Sec 41 *LG Act*)
The Flinders Ranges Council Building Fire Safety Committee (Sec 71 *D Act 1993*)

Reference Committees (appointed by Council)

Quorn Swimming Pool Reference Committee
Hawker Swimming Pool Reference Committee
Little Corella Reference Committee
Signage Reference Committee
Policy Review Reference Committee
Works Review Reference Committee

Operational Committees (appointed by Chief Executive Officer)

Senior Leadership Team
Enterprise Bargaining Committee
WHS Committee
Community Emergency Risk Management Committee

Council Delegates

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

Legatus Group
Flinders Ranges Tourism Operators Association
Flinders Ranges & Outback South Australian Tourism
Hawker Area School Governing Council
Hawker Community Development Board
Hawker Country Fire Service
Hawker School / Community Library Board
Hawker Community Sporting Centre
Hawker Health Advisory Council
Local Government Association of South Australia
Local Government Finance Association of South Australia
Local Government System Incorporated
Northern Passenger Transport Network
Quorn Agricultural Show Society
Quorn Country Fire Service
Quorn Health Advisory Council
Quorn State Emergency Services
Quorn School / Community Library Board
Quorn Local History Group

Region 4 Bushfire Management Committee
Regional Coordination Network – Far North
Regional Development Australia Far North
Wirreanda Cottages
Zone Emergency Management Committee – Far North

Policies

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

Number	Policy Title	Version	Issue Date	Last Review Date
G1.1	Safe Environment	2	July 2012	March 2016
G1.2	Code of Conduct for Elected Members – published by Minister		August 2013	Statutory
G1.3	Training and Development for Elected Members	2	July 2012	September 2017
G1.4	Elected Members' Allowances and Benefits	3	July 2012	September 2017
G1.5	Elected member Conduct – Complaint Handling	3	July 2012	September 2017
G1.6	Code of Conduct for Employees	2	May 2018	May 2018
G1.7	Information Privacy	3	July 2012	March 2016
G1.8	Code of Practice – Access to Council Meetings and Documents	2	July 2012	January 2018
G1.9	Public Consultation	4	July 2012	September 2017
G1.10	Internal Control	2	July 2012	January 2018
G1.11	Order Making	3	July 2012	September 2017
G1.12	Work Health and Safety and Injury Management (LGAWCS)	2	July 2012	January 2018
G1.13	Internal Review of Council Decisions	3	July 2012	December 2016
G1.14	Whistleblowers Protection	3	July 2012	September 2017
G1.15	Records Management Procedure	3	July 2012	August 2017
G1.16	Copyright Infringement	2	July 2012	January 2018
G1.17	Selection of Road and Public Place Names	2	July 2012	March 2016
G1.18	Fraud and Corruption Prevention	2	July 2012	September 2017
G1.19	Asset Management	2	July 2012	March 2016
G1.20	Customer Service Goals	2	July 2011	August 2017
G1.21	Accounting for Assets	3	July 2012	June 2017
G1.22	Risk Management	2	July 2012	August 2017
G1.23	Customer Complaints	4	July 2012	August 2017
G1.24	Caretaker Policy	3	June 2010	January 2018
G1.25	Procurement and Disposal Policy	5	May 2011	November 2017
G1.26	Treasury Management	4	May 2013	February 2017
G1.27	Social Media	2	August 2013	March 2016
G1.28	Rating and Rate Rebate	10	July 2009	June 2018
G1.29	Prudential Management	2	January 2014	January 2018
G1.30	Building Inspection	2	October 2014	February 2017
G1.31	Management of Stormwater Across Footpaths	1	December 2015	January 2018
G1.32	Code of Conduct Volunteers	2	October 2014	February 2017
G1.33	Public Question Time	2	December 2014	February 2017
G1.34	Code of Practice – Meeting Procedure	1	March 2015	September 2017
G1.35	Council Resources for Emergency Response	1	August 2016	August 2016
G1.36	Tree Management	1	December 2015	January 2018
G1.37	Closed Circuit Television and Security Camera	1	March 2016	March 2016
G1.38	Informal Gatherings	2	July 2016	December 2016
G1.39	CWMS Hardship Policy & Customer Service Charter	1	July 2016	July 2016
G1.40	Liquor Licensing	1	December 2016	February 2017
G1.41	Memorials	1	December 2016	February 2017
G1.42	Road Opening and Closing	1	December 2016	February 2017
G1.43	Investments Incentives	1	June 2017	August 2017
G1.44	Community EFTPOS Facility	1	July 2017	October 2017
G1.45	Mobile Food Vendors	1	November 2017	January 2018
G1.46	Parking Control	1	May 2018	May 2018

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

Council's Policy Review Reference Committee has finalised the review of all policies in 2017-2018. The Policy Review Reference Committee is also proposing a new policy for consideration by Council:

- Community Grants

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 reviewed annually by Council. Council cannot delegate to staff various functions as outlined in Section 44(3)(a) and (k) of the *Local Government Act 1999*.

Delegations as at 30 June 2018 were:

<i>Burial and Cremation Act 2013</i>	Colin Davies Bilal Akhtar Daniel Martin
<i>Community Titles Act 1996</i>	Colin Davies Darryl Whicker
<i>Development Act 1993</i>	Colin Davies Yantel Burns Nick Heron Lynette Brandwood Peter Harmer
<i>Dog and Cat Management Act 1995</i>	Colin Davies Bilal Akhtar Dean Brooksby Daniel Martin Mark Finlay Roger Flavel
<i>Environment Protection Act 1993</i>	Colin Davies Bilal Akhtar
<i>Expiation of Offences Act 1996</i>	Colin Davies Bilal Akhtar Darryl Whicker Dean Brooksby Brian Sickles
<i>Fences Act 1975</i>	Colin Davies Darryl Whicker
<i>Fire and Emergency Services Act 2005</i>	Colin Davies Mark Finlay Dean Brooksby
<i>Food Act 2001</i>	Colin Davies Brian Sickles
<i>Freedom of Information Act 1991</i>	Colin Davies Angie Finlay
<i>Graffiti Control Act 2001</i>	Colin Davies Bilal Akhtar Dean Brooksby
<i>Heavy Vehicle National Law (SA) Act 2013</i>	Colin Davies Bilal Akhtar

<i>Housing Improvement Act 1940</i>	Colin Davies
<i>Impounding Act 1920</i>	Darryl Whicker
	Colin Davies
	Bilal Akhtar
	Dean Brooksby
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Colin Davies
	Darryl Whicker
<i>Liquor Licensing Act 1997</i>	Colin Davies
	Darryl Whicker
<i>Local Government Act 1999</i>	Colin Davies
	Darryl Whicker
	Bilal Akhtar
	Dean Brooksby
	Brian Sickles
<i>Local Nuisance and Litter Control Act 2016</i>	Colin Davies
	Bilal Akhtar
	Dean Brooksby
<i>Natural Resources Management Act 2004</i>	Colin Davies
	Bilal Akhtar
<i>Private Parking Areas Act 1986</i>	Colin Davies
	Bilal Akhtar
	Dean Brooksby
<i>Real Property Act 1886</i>	Colin Davies
	Darryl Whicker
<i>Roads (Opening and Closing) Act 1991</i>	Colin Davies
	Bilal Akhtar
	Daniel Martin
<i>Road Traffic Act 1961</i>	Colin Davies
	Bilal Akhtar
	Rod Ellis
	Paul Simons
<i>Safe Drinking Water Act 2012</i>	Colin Davies
	Brian Sickles
<i>South Australian Public Health Act 2011</i>	Colin Davies
	Brian Sickles
<i>Strata Titles Act 1988</i>	Colin Davies
	Darryl Whicker
<i>Supported Residential Facilities Act 1992</i>	Colin Davies
	Darryl Whicker
<i>Unclaimed Goods Act 1987</i>	Colin Davies
	Darryl Whicker
<i>Water Industry Act 2012</i>	Colin Davies
	Bilal Akhtar
	Brian Sickles
<i>Work Health and Safety Act 2012</i>	Colin Davies
	Bilal Akhtar
	James Holmes
	Daniel Martin
	Jillian Wilson
	Nigel Crisp

The Flinders Ranges Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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



The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2018

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The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Financial Statements


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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records,



Colin Davies
CHIEF EXECUTIVE OFFICER



Peter Slattery
MAYOR

Date: 11 SEPTEMBER 2018

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

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

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

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

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

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

2. A Balance Sheet

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

3. A Statement of Changes in Equity

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

4. A Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

More information...

A 5 year snapshot of Council's key financial figures can be found at Note 26 of the Financial Statements.

The Flinders Ranges Council

Statement of Comprehensive Income

for the year ended 30 June 2018

\$	Notes	2018	2017
Income			
Rates Revenues	2a	2,222,028	2,150,716
Statutory Charges	2b	49,170	40,791
User Charges	2c	99,868	79,403
Grants, Subsidies and Contributions	2g	1,655,354	1,495,840
Investment Income	2d	82,362	97,668
Reimbursements	2e	33,951	42,220
Other Income	2f	506,397	503,248
Total Income		4,649,130	4,409,886
Expenses			
Employee Costs	3a	1,520,048	1,665,349
Materials, Contracts & Other Expenses	3b	2,452,630	2,479,601
Depreciation, Amortisation & Impairment	3c	1,523,742	1,503,145
Finance Costs	3d	72,107	83,455
Total Expenses		5,568,526	5,731,550
Operating Surplus / (Deficit)		(919,396)	(1,321,664)
Asset Disposal & Fair Value Adjustments	4	22,896	(2,638)
Amounts Received Specifically for New or Upgraded Assets	2g	1,465,842	648,526
Net Surplus / (Deficit) ¹		569,342	(675,776)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Total Comprehensive Income		569,342	(3,686,115)
AASB1004 Recognition			
Financial Assistance Grants Received in Advance	2ga, 8aa	39,062	767,614
Operating Surplus / (Deficit) adjusted for AASB1004		(880,334)	(554,051)
Grants Received in Advance (SLR & CCTV)	2ga, 8aa	(38,882)	(526,118)
Total AASB1004 Adjustments		180	241,496
Total Comprehensive Income after AASB1004		569,521	(3,444,619)

¹ Transferred to Equity Statement

The Flinders Ranges Council

Statement of Financial Position

as at 30 June 2018

\$	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	3,259,832	4,246,593
Trade & Other Receivables	5b	470,397	472,471
Inventories	5c	503,524	443,537
Total Current Assets		4,233,753	5,162,601
Non-Current Assets			
Financial Assets	6a	34,939	39,482
Infrastructure, Property, Plant & Equipment	7a	53,127,592	52,865,586
Other Non-Current Assets	6b	521,394	-
Total Non-Current Assets		53,683,925	52,905,068
TOTAL ASSETS		57,917,679	58,067,669
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	992,518	1,251,742
Borrowings	8b	214,155	203,782
Provisions	8c	1,089,336	1,322,535
Total Current Liabilities		2,296,009	2,778,059
Non-Current Liabilities			
Trade & Other Payables	8a	-	-
Borrowings	8b	889,151	1,103,306
Provisions	8c	33,048	56,175
Total Non-Current Liabilities		922,199	1,159,481
TOTAL LIABILITIES		3,218,207	3,937,540
Net Assets		54,699,471	54,130,129
EQUITY			
Accumulated Surplus		15,902,633	14,612,093
Asset Revaluation Reserves	9a	35,764,708	35,764,708
Other Reserves	9b	3,032,130	3,753,328
Total Council Equity		54,699,471	54,130,129

The Flinders Ranges Council

Statement of Changes in Equity for the year ended 30 June 2018

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		14,612,093	35,764,708	3,753,328	54,130,129
a. Net Surplus / (Deficit) for Year		569,342	-	-	569,342
Total Comprehensive Income		569,342	-	-	569,342
b. Transfers between Reserves		721,198	-	(721,198)	-
Balance at the end of period		15,902,633	35,764,708	3,032,130	54,699,471
2017					
Balance at the end of previous reporting period		16,500,415	38,775,047	2,540,782	57,816,244
a. Net Surplus / (Deficit) for Year		(675,776)	-	-	(675,776)
e. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(3,010,339)	-	(3,010,339)
Total Comprehensive Income		(675,776)	(3,010,339)	-	(3,686,115)
b. Transfers between Reserves		(1,212,546)	-	1,212,546	-
Balance at the end of period		14,612,093	35,764,708	3,753,328	54,130,129

The Flinders Ranges Council

Statement of Cash Flows

for the year ended 30 June 2018

\$	Notes	2018	2017
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		5,008,856	4,418,715
Investment Receipts		82,362	97,668
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(4,985,028)	(3,147,598)
Finance Payments		(75,112)	(86,328)
Net Cash provided by (or used in) Operating Activities	11b	31,077	1,282,457
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,465,842	648,526
Sale of Replaced Assets		115,182	31,364
Repayments of Loans by Community Groups		4,347	5,463
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(868,488)	(44,944)
Expenditure on New/Upgraded Assets		(1,530,939)	(710,224)
Net Cash provided by (or used in) Investing Activities		(814,057)	(69,815)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayments of Borrowings		(203,782)	(195,966)
Net Cash provided by (or used in) Financing Activities		(203,782)	(195,966)
Net Increase (Decrease) in Cash Held		(986,761)	1,016,676
plus: Cash & Cash Equivalents at beginning of period	11	4,246,593	3,229,917
Total Cash, Cash Equivalents & Investments		3,259,832	4,246,593

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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	n/a - not applicable	

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 11 September 2018.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The Flinders Ranges Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 1 Seventh Street, Quorn SA 5433. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income Recognition

Grants Commission funds received in June for the next financial year have been consistently shown as income received in advance in the Financial Reports. Therefore, neither the Financial Reports nor the Budget variances are distorted. AASB 1004 recognition comparatives are shown within the Statements and Notes as applicable (Notes 2 and 8).

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.

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

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

Updated by policy review 'Accounting for Assets' at July 2018.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on 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 15 years
Office Furniture	4 to 15 years
Vehicles and Road-making Equip	2 to 15 years
Other Plant & Equipment	5 to 50 years

Building & Other Structures

Buildings – masonry	25 to 100 years
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The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

Buildings – other construction	25 to 100 years
Buildings – Heritage listed s/structure	to 160 years
Park Structures – masonry	25 to 100 years
Park Structures – other construction	25 to 100 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

Infrastructure

Sealed Roads – Surface	15 years
Sealed Roads – Structure	120 years
Unsealed Roads Not Depreciated (Interpretation 1055)	
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	20 to 80 years
Drains	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
Effluent Lagoons	80 years

Other Assets

Library Books	10 to 15 years
Artworks	indefinite

6.5 Impairment

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised

as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(including payroll based on-costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Council does not make payment for untaken sick leave.

9.2 Superannuation

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

Council also makes contribution to other superannuation schemes selected by employees under the 'choice of fund' legislation.

10 Provisions for Reinstatement, Restoration and Rehabilitation

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

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

11 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to

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

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

12 Construction Contracts

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

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

13 Equity Accounted Council Businesses

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

14 GST Implications

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

The Flinders Ranges Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards that are expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments* This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, council expects a small increase to

impairment losses however the standard is not expected to have a material impact overall.

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 1059 *Service Concession Arrangements: Grantors*

- AASB 1059 *Service Concession Arrangements: Grantors (Appendix D)*

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 *Insurance Contracts*
- AASB 17 *Insurance Contracts (Appendix D)*

16 Comparative Figures

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

17 Disclaimer

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income

\$	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		1,791,573	1,712,821
Less: Mandatory Rebates		(71,911)	(60,359)
Total General Rates		1,719,662	1,652,462
Other Rates (Including Service Charges)			
Natural Resource Management Levy		43,512	41,868
Waste Collection		192,900	191,250
Community Wastewater Management Systems		240,720	241,920
Total Other Rates		477,132	475,038
Other Charges			
Penalties for Late Payment		25,254	23,216
Total Other Charges		25,254	23,216
Less: Discretionary Rebates, Remissions & Write Offs		(20)	-
Total Rates Revenues		2,222,028	2,150,716
(b). Statutory Charges			
Development Act Fees		23,047	21,372
Animal Registration Fees & Fines		22,976	16,384
Other Licences, Fees & Fines		3,146	3,035
Total Statutory Charges		49,170	40,791
(c). User Charges			
Cemetery/Crematoria Fees		24,040	13,665
Hall & Equipment Hire		8,767	3,739
Sundry		2,188	2,236
Swimming Pools		34,830	31,619
Community Bus Hire		5,656	8,419
Waste Management		17,097	19,107
Airport Fees		224	618
Film Industry Support		7,068	-
Total User Charges		99,868	79,403

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		79,517	92,097
- Banks & Other		999	2,105
- Loans to Community Groups		1,846	3,466
Total Investment Income		82,362	97,668
(e). Reimbursements			
Private Works		6,108	22,152
Shared Services Fees		11,999	8,758
Recreation & Sport - Oval		10,910	5,507
Workers Insurance		-	3,158
Other		4,934	2,645
Total Reimbursements		33,951	42,220
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		71,663	56,324
Rebates & Incentives Received		59,164	56,942
Sundry		13,854	17,242
Commercial Income		44,735	53,992
Donations		10,826	13,975
Outback Community Authority		20,938	14,198
FRVIC		266,990	266,142
Warren's Gorge		18,227	24,433
Total Other Income		506,397	503,248
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,465,842	648,526
Total Amounts Received Specifically for New or Upgraded Assets		1,465,842	648,526
Other Grants, Subsidies and Contributions		1,506,006	1,495,840
Individually Significant Item - Additional Grants Commission Payment (refer below)		149,348	-
Total Other Grants, Subsidies and Contributions		1,655,354	1,495,840
Total Grants, Subsidies, Contributions		3,121,196	2,144,367

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$	Notes	2018	2017
(ga). AASB1004 Recognition - Grants, Subsidies, Contribution			
Amounts Received Specifically for New or Upgraded Assets - AASB1004 adjustment		(38,882)	(526,118)
Other Grants, Subsidies and Contributions - AASB1004 adjustment		39,062	767,614
Total Grants, Subsidies, Contributions - AASB1004 adjustments		180	241,496
AASB1004 adjusted Total Grants, Subsidies, Contributions		3,121,376	2,385,863
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		3,055,992	1,964,849
State Government		65,204	179,518
Total		3,121,196	2,144,367
AASB1004 adjusted Sources of grants			
Commonwealth Government		3,075,054	2,167,463
State Government		46,322	218,400
Total		3,121,376	2,385,863

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

For this reason, the first instalment of the 2017-2018 Financial Assistance Grants, which was receipted by the Council in June 2018, must be recognised as revenue in the 2017-2018 financial year, and other Commonwealth grants received but not expended during 2017-2018 must be recorded as revenue in the 2018-2019 financial year. The impact of these adjustments is illustrated above.

As a result of the above, the Council's operating surplus / (deficit) and total comprehensive income have been restated on the Statement of Comprehensive Income. See also Note 8 (aa).

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$	Notes	2018	2017
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		465,089	-
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(390,230)	-
Heritage & Cultural Services		(67,500)	-
Sporting & Recreation Services		(7,359)	-
Subtotal		(465,089)	-
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		-	390,230
Heritage & Cultural Services		59,270	67,500
Sporting & Recreation Services		160,438	7,359
Subtotal		219,708	465,089
Unexpended at the close of this reporting period		219,708	465,089
Net increase (decrease) in assets subject to conditions in the current reporting period		(245,381)	465,089

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		1,257,653	1,347,036
Employee Leave Expense		143,967	198,040
Superannuation - Defined Contribution Plan Contributions	18	111,678	123,072
Workers' Compensation Payments		10,557	1,069
Less: Capitalised and Distributed Costs		(3,808)	(3,868)
Total Operating Employee Costs		1,520,048	1,665,349
Total Number of Employees (full time equivalent at end of reporting period)		19	22

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$	Notes	2018	2017
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		27,307	26,461
Elected Members' Expenses		78,178	87,001
Election Expenses		9,438	483
Subtotal - Prescribed Expenses		114,923	113,945
(ii) Other Materials, Contracts and Expenses			
Contractors		988,686	572,022
Energy - Fuel & Power		96,137	74,288
Plant and Equipment Capital Purchases		506,697	44,945
Legal Expenses		13,623	23,632
Levies Paid to Government - NRM levy		43,452	40,684
Levies - Other		4,036	3,753
Parts, Accessories & Consumables		40,314	40,848
Professional Services		20,141	32,731
Sundry		322,444	199,293
Waste Management		245,851	133,220
Insurance		87,588	112,692
Vehicle Maintenance		125,305	90,457
FBT		11,831	14,188
FRVIC		190,338	274,457
Workers Compensation Insurance		63,346	81,602
LG Systems Contract		55,650	53,491
Rubble / Crushed Rock		(42,887)	44,150
Road Construction & Maintenance		1,201,591	1,235,623
CWMS		7,770	24,520
Building Upgrades		156,982	46,945
Water		76,844	65,306
Less: Capitalised and Distributed Costs		(1,878,034)	(843,191)
Subtotal - Other Material, Contracts & Expenses		2,337,706	2,365,656
Total Materials, Contracts and Other Expenses		2,452,630	2,479,601

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$	Notes	2018	2017
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Infrastructure		505,022	477,864
CWMS		72,354	72,354
Plant & Equipment		149,451	146,438
Furniture & Fittings		25,383	28,233
Buildings		771,532	778,256
Subtotal		1,523,742	1,503,145
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		1,523,742	1,503,145
(d). Finance Costs			
Interest on Loans		72,107	83,455
Total Finance Costs		72,107	83,455

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		115,182	31,364
Less: Carrying Amount of Assets Sold		(92,286)	(34,002)
Gain (Loss) on Disposal		22,896	(2,638)
Net Gain (Loss) on Disposal or Revaluation of Assets		22,896	(2,638)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 5. Current Assets

\$	Notes	2018	2017
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		33,291	98,243
Deposits at Call		401,442	398,350
Short Term Deposits & Bills, etc.		2,825,099	3,750,000
Total Cash & Cash Equivalents		3,259,832	4,246,593
(b). Trade & Other Receivables			
Rates - General & Other		341,076	294,719
Accrued Interest		3,006	21,689
Debtors - General		55,670	74,583
Prepayments		-	21,479
Loans to Community Organisations		4,542	4,347
Accrued Income - ATO		66,103	44,781
Other		-	10,873
Total Trade & Other Receivables		470,397	472,471
(c). Inventories			
Stores & Materials		474,604	407,780
Trading Stock		28,920	35,757
Total Inventories		503,524	443,537

Note 6. Non-Current Assets

(a). Financial Assets			
Receivables			
Loans to Community Organisations		34,939	39,482
Total Receivables		34,939	39,482
Total Financial Assets		34,939	39,482
(b). Other Non-Current Assets			
Capital Works-in-Progress		521,394	-
Total Other Non-Current Assets		521,394	-

The Flinders Ranges Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 7a. Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/6/2017				Asset Movements during the Reporting Period						as at 30/6/2018			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals								
Infrastructure	3	39,187,037	-	6,638,577	32,548,460	1,201,591	-	-	(505,022)	-	-	39,187,037	1,201,591	7,143,599	33,245,029
CWMS	3	4,124,928	-	1,375,787	2,749,141	-	-	-	(72,354)	-	-	4,124,928	-	1,448,141	2,676,787
Plant & Equipment	3	2,934,982	-	1,618,369	1,316,613	80,000	334,332	(92,286)	(149,451)	-	-	2,560,955	414,332	1,486,079	1,489,208
Furniture & Fittings	3	242,500	-	93,287	149,213	92,366	12,763	-	(25,383)	-	-	242,500	105,129	118,670	228,959
Buildings	3	28,673,188	-	15,420,393	13,252,795	156,982	-	-	(771,532)	-	-	28,673,188	156,982	16,191,924	12,638,245
Land	2	1,641,465	-	-	1,641,465	-	-	-	-	-	-	1,641,465	-	-	1,641,465
Land	3	1,207,899	-	-	1,207,899	-	-	-	-	-	-	1,207,899	-	-	1,207,899
Total Infrastructure, Property, Plant & Equipment		78,011,999	-	25,146,413	52,865,586	1,530,939	347,095	(92,286)	(1,523,742)	-	-	77,637,972	1,878,034	26,388,413	53,127,592
Comparatives		76,293,901	-	19,635,998	56,657,903	710,224	44,945	(34,002)	(1,503,145)	(57,372,564)	54,362,225	78,011,999	-	25,146,413	52,865,586

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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

Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

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

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

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

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

Transition to AASB 13 - Fair Value Measurement

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

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$

Valuation of Assets (continued)

Infrastructure

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Transportation assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Maloney's as at 30 June 2017 at written down current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

Community Wastewater Management Systems

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Community wastewater management system infrastructure was valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

Plant & Equipment

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Plant & equipment assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

Furniture & Fittings

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Furniture & fittings were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$

Valuation of Assets (continued)

Land, Land Improvements, Buildings & Other Structures

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

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 at written down current replacement cost, deriving from a valuation at 30 June 2017 by Maloney's. Additions are recognised at cost. No capitalisation threshold is applied to the acquisition of land or interests in land. Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the written down current replacement cost basis, deriving from a valuation at 30 June 2017 by Maloney's. Additions are recognised at cost.

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

Pursuant to Council's election, buildings and other structures are recognised on the written down current replacement cost basis, deriving from the valuation at 30 June 2017 by Maloney's. Additions are recognised at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

Minor Plant

- Basis of valuation: Depreciated (Written Down) Current Replacement Cost
- Date of valuation: 30 June 2017
- Valuer: Mr Graham L Martin, B.Bus (Prop), Certified Practicing Valuer, Senior Valuer, Maloney Field Services

Minor plant assets were valued by Maloney's at written down current replacement cost during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation of this class of assets will be during the 2021 / 2022 financial year.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities

\$	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		104,806	-	381,325	-
Payments Received in Advance		806,676	-	806,496	-
Accrued Expenses - Employee Entitlements		34,074	-	29,269	-
Accrued Expenses - Finance Costs		19,780	-	22,786	-
Accrued Expenses - Other		27,182	-	11,866	-
Total Trade and Other Payables		992,518	-	1,251,742	-

(aa). AASB 1004 Recognition - Trade and Other Payables

Payments Received in Advance - AASB1004 adjustment			
FAGs Received in Advance	(19,062)		(767,614)
Other Grants Received in Advance (CCTV)	38,882		(38,882)
Other Grants Received in Advance (SLR 2016)	-		565,000
Other Grants Received in Advance (PRRPS)	(20,000)		-
Total AASB1004 Adjustments	(180)		(241,496)
AASB 1004 Adjusted Trade & Other	992,338		1,010,246

The above restatement of Trade and Other Payables has been prepared to demonstrate the effect on the financials had AASB 1004 been applied.

(b). Borrowings

Loans	214,155	889,151	203,782	1,103,306
Total Borrowings	214,155	889,151	203,782	1,103,306

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

(c). Provisions

Employee Entitlements (including oncosts)	424,853	33,048	415,949	56,175
Future Reinstatement / Restoration, etc	431,212	-	431,212	-
Unspent Grants	219,708	-	465,090	-
Other	13,563	-	10,284	-
Total Provisions	1,089,336	33,048	1,322,535	56,175

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 9. Reserves

\$	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Infrastructure	15,739,843	-	-	-	15,739,843
CWMS	816,063	-	-	-	816,063
Plant & Equipment	(106,236)	-	-	-	(106,236)
Furniture & Fittings	36,278	-	-	-	36,278
Buildings	10,593,820	-	-	-	10,593,820
Minor Plant	15,926	-	-	-	15,926
Other Assets	8,669,014	-	-	-	8,669,014
Total Asset Revaluation Reserve	35,764,708	-	-	-	35,764,708
Comparatives	38,775,047	(3,010,339)	-	-	35,764,708

\$	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
NRM Levy	1,419	55	-	-	1,474
Land & Buildings	69,975	60,024	(10,000)	-	120,000
Plant Replacement	250,000	2,493	(202,493)	-	50,000
Other	1,421,040	61,088	(282,013)	-	1,200,115
Garbage Service Charge	166,057	3,977	(25,790)	-	144,243
Stormwater Dams	2,043	49	(92)	-	2,000
Legal Costs	-	5,000	-	-	5,000
Community Trust Funds	32,989	73,044	(72,766)	-	33,267
Hawker CWMS Service Charge	196,133	53,248	(2,431)	-	246,950
Quorn CWMS Service Charge	1,014,367	30,820	(16,106)	-	1,029,081
Airstrips	150,000	1,233	(151,233)	-	-
Roads	400,000	152,086	(402,086)	-	150,000
Community Buses	49,306	1,181	(487)	-	50,000
Total Other Reserves	3,753,328	444,298	(1,165,496)	-	3,032,130
Comparatives	2,540,782	1,294,260	(81,714)	-	3,753,328

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 10. Assets Subject to Restrictions

\$	Notes	2018	2017
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
CWMS Annual Service Charge		1,276,031	1,210,499
Garbage Annual Service Charge		144,244	166,057
NRM Levy		1,474	1,418
Unexpended Grant funds		219,708	465,090
Employee Entitlements		457,900	404,783
Total Cash & Financial Assets		2,099,357	2,247,847
Total Assets Subject to Externally Imposed Restrictions		2,099,357	2,247,847

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	3,259,832	4,246,593
Balances per Statement of Cash Flows		3,259,832	4,246,593

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 11. Reconciliation to Statement of Cash Flows (continued)

\$	Notes	2018	2017
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		569,342	(675,776)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,523,742	1,503,145
Non-Cash Asset Acquisitions		-	149,734
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,465,842)	(648,526)
Net (Gain) Loss on Disposals		(22,896)	2,638
		604,345	331,215
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		2,269	(100,013)
Net (Increase)/Decrease in Inventories		(59,987)	101,232
Net Increase/(Decrease) in Trade & Other Payables		(259,224)	486,240
Net Increase/(Decrease) in Unpaid Employee Benefits		(14,224)	-
Net Increase/(Decrease) in Other Provisions		(242,103)	463,783
Net Cash provided by (or used in) operations		31,077	1,282,457

(c). Financing Arrangements

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

Bank Overdrafts	100,000	100,000
Corporate Credit Cards	11,000	11,000
LGFA Cash Advance Debenture Facility	1,000,000	1,000,000

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$										
Administration	3,067,306	3,011,415	317,278	302,137	2,750,029	2,709,278	1,181,629	1,201,504	-	-
Public Order & Health	23,278	3,246	89,431	74,442	(66,153)	(71,196)	24,500	-	-	-
Social Security & Welfare	7,934	9,909	30,565	17,274	(22,631)	(7,365)	-	-	-	-
Community Amenities	474,756	469,556	945,340	897,248	(470,584)	(427,692)	-	3,636	-	-
Recreation & Culture	118,137	106,454	1,629,015	1,685,480	(1,510,879)	(1,579,025)	1,111	1,112	-	-
Agricultural Services	43,512	41,868	47,174	41,073	(3,662)	795	-	-	-	-
Regulatory Services	51,212	47,001	138,723	197,336	(87,511)	(150,335)	-	-	-	-
Transport & Communication	448,114	289,588	1,374,770	1,334,892	(926,656)	(1,045,304)	448,114	289,588	-	-
Economic Development	275,703	267,822	537,018	547,581	(261,315)	(279,759)	-	-	-	-
Not Elsewhere Classified	139,177	163,027	191,896	268,387	(52,719)	(105,360)	-	-	-	-
Works Overheads	-	-	267,316	365,701	(267,316)	(365,701)	-	-	-	-
Other Functions/Activities	-	-	-	-	-	-	-	-	57,917,679	58,067,669
Total Functions/Activities	4,649,130	4,409,886	5,568,526	5,731,550	(919,396)	(1,321,664)	1,655,354	1,495,840	57,917,679	58,067,669

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12b. Components of Functions

\$

The activities relating to Council functions are as follows:

COUNCIL ADMINISTRATION

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

PUBLIC ORDER & HEALTH

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

SOCIAL SECURITY & WELFARE

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

COMMUNITY AMENITIES

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

RECREATION & CULTURE

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

AGRICULTURAL SERVICES

NRM Levy, Corella Control, Animal & Pest Plant expenditure

REGULATORY SERVICES

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

TRANSPORT & COMMUNICATION

Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), Drainage, Signs, Guide Posts, Line Marking

ECONOMIC DEVELOPMENT

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

NOT ELSEWHERE CLASSIFIED (NEC)

Airstrips, Shared Services, Advertising Signs, Private Works, Interest, Natural Disaster Mitigation

WORKS - INDIRECT

Depots, Machinery Maintenance & Operating Costs, Minor Plant, WHS, Signage, Training,

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments

\$

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.5% and 2.4% (2017: 1.5% and 2.4%). Short term deposits have an average maturity of 9 days and an average interest rate of 1.75% (2017: 30 days and 2.4%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legal & penalties for late payment)

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

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.56250% (2017: 0.5833%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

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

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.45% and 6.65% (2017: 4.00% and 6.65%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
Financial Assets					
Cash & Equivalents	3,259,832	-	-	3,259,832	3,259,832
Receivables	124,779	-	-	124,779	124,779
Other Financial Assets	4,542	25,968	8,972	39,482	39,482
Total Financial Assets	3,389,154	25,968	8,972	3,424,093	3,424,093
Financial Liabilities					
Payables	185,842	-	-	185,842	185,842
Current Borrowings	214,155	-	-	214,155	214,155
Non-Current Borrowings	-	880,179	8,972	889,151	889,151
Total Financial Liabilities	399,997	880,179	8,972	1,289,148	1,289,148
2017					
Financial Assets					
Cash & Equivalents	4,246,593	-	-	4,246,593	4,246,593
Receivables	173,405	-	-	173,405	173,405
Other Financial Assets	4,346	19,433	20,049	43,828	43,828
Total Financial Assets	4,424,344	19,433	20,049	4,463,826	4,463,826
Financial Liabilities					
Payables	433,379	-	-	433,379	433,379
Current Borrowings	203,782	-	-	203,782	203,782
Non-Current Borrowings	-	1,083,257	20,049	1,103,306	1,103,306
Total Financial Liabilities	637,161	1,083,257	20,049	1,740,467	1,740,467

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.11%	1,103,306	5.94%	1,307,088
		1,103,306		1,307,088

Net Fair Value

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$

	Notes	2018	2017
--	-------	------	------

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

Audit Services	39,846	57,000
Employee Remuneration Contracts	1,292,354	681,751
	1,332,200	738,751

These expenditures are payable:

Not later than one year	391,100	300,751
Later than one year and not later than 5 years	941,100	438,000
Later than 5 years	-	-
	1,332,200	738,751

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$	2018	2018	2017	2016

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

1. Operating Surplus Ratio

Operating Surplus	(919,396)	(20%)	(30%)	(10%)
Total Operating Income	4,649,130			

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(546,962)	(12%)	(19%)	(14%)
Total Operating Income	4,649,130			

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

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	(31%)	(40%)	10%
Adjusted Net Financial Liabilities Ratio	(25%)	(31%)	5%

3. Asset Sustainability Ratio

Net Asset Renewals	753,307	97%	6%	30%
Infrastructure & Asset Management Plan required expenditure	775,000			

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.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 16. Uniform Presentation of Finances

\$	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	4,649,130	4,409,886
less Expenses	(5,568,526)	(5,731,550)
Operating Surplus / (Deficit)	(919,396)	(1,321,664)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(868,488)	(44,944)
<i>add back</i> Depreciation, Amortisation and Impairment	1,523,742	1,503,145
<i>add back</i> Proceeds from Sale of Replaced Assets	115,182	31,364
Subtotal	770,435	1,489,564
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,530,939)	(710,224)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,465,842	648,526
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	(65,097)	(61,698)
Net Lending / (Borrowing) for Financial Year	(214,058)	106,202

Note 17. Operating Leases

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

Not later than one year	4,000	4,000
Later than one year and not later than 5 years	12,000	16,000
Later than 5 years	-	-
	16,000	20,000

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 18. Superannuation

\$

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities

\$

Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,262 km of road reserves of average width 8 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$34,939.25 (2017: \$39,482) at reporting date.

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

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of 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 2018

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 10/10/18.

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

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

AASB 124 Related Party Disclosures defines a **Related Party Transaction** as a transfer of resources, services or obligations between the Council and a related party, regardless of whether a price is charged.

A **Related Party** is defined in AASB 124 as a person or entity that is related to Council (as the reporting entity) and includes a person that:- has control or joint control of the Council; has significant influence over the Council; or is a member of the **Key Management Personnel** of the Council. It is noted that this definition includes a person or a close member of the person's family (those family members who may be expected to influence, or be influenced by, that person in their dealings with the Council and includes:- the person's children, spouse or domestic partner; children of the spouse or domestic partner; and dependants of the person or that person's spouse or domestic partner).

AASB 124 defines **Key Management Personnel** as those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly.

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed Officers under section 112 of the Local Government Act 1999. In all, 12 persons are considered Key Management Personnel.

Key Management Personnel - Compensation

Paragraph 17 of AASB 124 requires Council to disclose all forms of Key Management Personnel compensation that is paid, payable or provided by the council (or on its behalf) in exchange for services rendered. The following table details the number of individual benefits provided by Council to Key Management Personnel and their collective values.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 23. Related Party Transactions (continued)

\$	2018	2017
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	526,000	454,000
Post-Employment Benefits	67,000	62,000
Long-Term Benefits	48,000	52,000
Total	641,000	568,000

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Of these amounts, \$496,120.42 has been paid, \$143,172.74 is payable by Council and \$1,125.17 has been provided for as at the reporting date. The amounts detailed as "payable" and "provided for" relate entirely to accrued Employee Leave Entitlements as at the reporting date, and are total amounts and not the net movement for the reporting period.

Key Management Personnel - Receipts From

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts (in total) from Key Management Personnel:

Parties Related to Key Management Personnel

Paragraph 18 of AASB 124 requires that if Council has had related party transactions during the reporting period, that Council shall disclose the nature of the related party relationship, together with information about those transactions including outstanding balances, commitments and provisions and / or expenses during the reporting period relating to bad or doubtful debts.

Key Management Personnel or close family members lodged a total of one (1) planning and building application during the reporting period. In accordance with the Local Government Act 1999, these persons took no part in the assessment or approval process for this application. Total fees for this application were \$446.00 with the full amount paid prior to 30 June 2018.

One (1) Key Management Personnel are on the Executive of the Pichi Richi Railway Preservation Society Inc. Council collected ticket sale income of \$108,472.65 for the organisation and paid this to the organisation during the reporting period. No money remained payable to the organisation by Council at 30 June 2017.

Council paid the organisation for memberships, and signage \$1200 during the reporting

Council provided in-kind works to the organisation during the reporting period.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 23. Related Party Transactions (continued)

\$

Parties Related to Key Management Personnel (continued)

One (1) Key Management Personnel Chairs the Quorn Men's Shed Association. During the reporting period, Council provided support (materials and catering provisions) to the value of \$1814.97.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

Two (2) Key Management Personnel sit on the Barndioota Consultative Committee established by the Australian Government's Department of Industry, Innovation and Science. Council received six grants under the Department's National Radioactive Waste Management Facility Community Benefit Programme totalling \$640,711.00 Of this amount, \$370,483.00 was received in the reporting period, with the balance \$270,228.00 to be received in 2018/2019.

One (1) Key Management Personnel is on the Board of the Hawker Community Sports Centre Inc. Council provided the organisation with discretionary rate rebates of \$4,050 during the reporting period. No amounts are outstanding at 30 June 2017.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this. Council provided in-kind works to the organisation during the reporting period.

One (1) Key Management Personnel and a close member of the person's family are involved in a business from which Council made purchases totalling \$12,282.72 during the reporting period. At 30 June 2017, a balance of \$1,368.53 remained payable by Council.

Two (2) Key Management Personnel are members of the Board of Regional Development Australia Far North. During the reporting period, Council made payments of \$22,229.77 to the organisation. As at 30 June 2018, no amounts were outstanding.

One (1) Key Management Personnel is on the Board of Hawker Community Development Board Inc. During the reporting period, Council received \$1,445.19 from the organisation for cleaning, electricity and freight reimbursements. Council made payments of \$70 to the organisation for subscription and materials. As at 30 June 2017, an amount of \$153.24 remained payable to Council by the organisation.

The organisation has lease agreement(s) with Council to use Council land. No fees or rentals are charged for this.

One (1) Key Management Personnel is on the Board of Wirreanda Cottage. During the reporting period, Council provided the organisation with a \$2,551 discretionary rate rebate. As at 30 June 2018, no amounts were outstanding.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 24. Reconciliation of Grants Received

\$	Notes	Opening Balance	Movements Received	Expended	Closing Balance
Grants					
General Purpose - Commonwealth					
Grants Commission Grant - General Purpose		-	1,181,629	(1,181,629)	-
Grants Commission Grant - Local Roads		-	448,114	(448,114)	-
Total General Purpose Grants		-	1,629,743	(1,629,743)	-
Specific Purpose					
Hawker Hall		67,500	-	(67,500)	-
Hawker Pool		7,359	-	(7,359)	-
Libraries		-	1,111	(1,111)	-
National Disaster Resilience Program		-	24,500	(24,500)	-
Total Specific Purpose Grants		74,859	25,611	(100,470)	-
Total Other Grants		74,859	1,655,354	(1,730,213)	-
Comparatives		-	1,595,704	(1,520,845)	74,859
Grants Specifically for New/Upgraded Assets					
Specific Purpose					
Roads to Recovery		-	685,543	(685,543)	-
Specific Local Roads Grant		390,230	440,230	(830,460)	-
Cradock War Memorial		-	7,064	(7,064)	-
Skate Park		-	96,217	(96,217)	-
Hawker Pool		-	11,359	(11,359)	-
Hawker Hall		-	74,318	(74,318)	-
History Walk		-	8,715	(8,715)	-
Hawker Aerodrome Refuel Facility		-	89,401	(89,401)	-
CCTV		-	51,843	(51,843)	-
Hawker Gymnasium		-	1,150	(1,150)	-
Total Grants Specifically for New/Upgraded Assets		390,230	1,465,842	(1,856,072)	-
Comparatives		-	1,006,849	(616,619)	390,230

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 25. Material Budget Variations

\$

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

Note that for Variations* of Budget to Actual :

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

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

\$	2018 Budget	2018 Actual	2018 ----- Variance* -----	
REVENUES				
Rates Revenues	2,225,600	2,222,028	(3,572)	(0%) U
Statutory Charges	38,000	49,170	11,170	29% F
Increase in animal registrations and development applications.				
User Charges	79,600	99,868	20,268	25% F
Increase in cemetery fees and hall hire in relation to a long term booking arrangement. Increase in swimming pool fees and film industry support.				
Grants, Subsidies & Contributions	1,718,900	1,655,354	(63,546)	(4%) U
Investment Income	50,300	82,362	32,062	64% F
Directly related to reduction in cash and cash equivalents held during 2017/18.				
Reimbursements	27,100	33,951	6,851	25% F
Defrayment of expenses via the provision of shared services				
Other Income	380,200	506,397	126,197	33% F
Attributed to insurance claim recoupments during 2017/18.				
EXPENSES				
Employee Costs	1,638,500	1,520,048	(118,452)	(7%) F
Materials, Contracts & Other Expenses	2,513,500	2,452,630	(60,870)	(2%) F
Depreciation, Amortisation & Impairment	1,060,300	1,523,742	463,442	44% U
Due to the timing of asset revaluations being received post budget at 30 June 2018.				
Finance Costs	79,900	72,107	(7,793)	(10%) F
New self-serving loan to support local community group to upgrade infrastructure.				
CAPITAL REVENUES / EXPENSES				
Amounts Received for New/Upgraded Assets	835,100	1,465,842	630,742	76% F
Successful grant applications for The Flinders Ranges Skate Park and other initiatives under the Community Benefit Benefit Program.				

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 26. Financial Commentary & Review

\$

Key Financial Figures of Council over the past 5 years

Financial Performance Figures	2018	2017	2016	2015	2014
Inflows:					
Rates	2,222,028	2,150,716	2,094,411	2,050,969	1,894,640
Statutory Charges	49,170	40,791	36,252	34,897	33,001
User Charges	99,868	79,403	83,328	80,106	77,138
Grants, Subsidies & Contributions	1,655,354	1,495,840	1,584,685	1,620,397	1,729,589
Investment Income	82,362	97,668	95,035	95,900	113,427
Total Income from Continuing Operations	4,649,130	4,409,886	4,361,481	4,374,298	4,280,814
Sale Proceeds from I,PP&E	1,581,024	679,890	1,154,090	-	-
New Loan Borrowings & Advances	-	-	-	750,000	-
Outflows:					
Employee Costs	1,520,048	1,665,349	1,232,343	1,526,121	1,446,585
Materials, Contracts & Other Expenses	2,452,630	2,479,601	2,211,089	1,520,454	1,604,679
Finance Costs	72,107	83,455	92,840	94,707	77,864
Total Expenses from Continuing Operations	5,568,526	5,731,550	4,776,887	4,478,110	4,397,368
Total Cash purchases of I,PP&E	(2,399,427)	(755,168)	(1,766,243)	(3,830,542)	(2,318,666)
Total Loan Repayments (incl. Finance Leases)	(203,782)	(195,966)	(158,479)	(130,039)	(58,520)
Operating Surplus/(Deficit) (excl. Capital Income)	(919,396)	(1,321,664)	(415,406)	(103,813)	(116,554)
Financial Position Figures	2018	2017	2016	2015	2014
Current Assets	4,233,753	5,162,601	4,146,966	4,536,412	3,938,316
Current Liabilities	2,296,009	2,778,059	1,682,652	2,094,461	1,332,745
Net Current Assets	1,937,745	2,384,541	2,464,314	2,441,951	2,605,571
Cash & Investments	3,259,832	4,246,593	3,229,917	3,857,871	3,022,172
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,103,306	1,307,088	1,503,054	1,661,533	1,041,572
Total Value of I,PP&E (excl. Land & Land Imp'mts)	79,516,006	78,011,999	76,293,901	74,645,157	72,540,674
Total Accumulated Depreciation	26,388,413	25,146,413	19,635,998	18,458,833	18,301,984
Indicative Remaining Useful Life (as a % of GBV)	67%	68%	74%	75%	75%

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 27. Council Information & Contact Details

Principal Place of Business:

1 Seventh Street
QUORN SA 5433

Contact Details

Mailing Address:

PO Box 43
QUORN SA 5433

Opening Hours:

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

Telephone: 08 8620 0500

Internet: <http://www.frc.sa.gov.au/>

Email: council@frc.sa.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Colin Davies

PUBLIC OFFICER

Colin Davies

AUDITORS

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

Elected Members

MAYOR

Peter Slattery

COUNCILLORS

Cr Ken Anderson
Cr Mopsy Daniel
Cr Nicole Downing
Cr Greg Flint
Cr Julian Hipwell
Cr Scott Reubenicht
Cr Patsy Reynolds
Cr Andrew Smith

Other Information

ABN: 43 952 255 151

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



CHARTERED ACCOUNTANTS™
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Stirling

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E: stirling@galpins.com.au

Norwood

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W: www.galpins.com.au

ABN: 30 630 511 757

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under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT



To the members of the Flinders Ranges Council

Opinion

We have audited the accompanying financial report of the Flinders Ranges Council, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Flinders Ranges Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

10 / 10 / 2018

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renee Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Flinders Ranges Council

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

Opinion

We have audited the compliance of the Flinders Ranges Council with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

In our opinion, the Flinders Ranges Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitations of Controls

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

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

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

10 / 10 / 2018

The Flinders Ranges Council

General Purpose Financial Statements

for the year ended 30 June 2018

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 2018, the Council's Auditor, Galpins Accountants, Auditors and Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Colin Davies
CHIEF EXECUTIVE OFFICER



Richard Perkins
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 14 September 2018

General Purpose Financial Statements
for the year ended 30 June 2018

Statement by Auditor

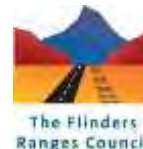
I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Tim Muhlhausler
Galpins Accountants, Auditors and Business Consultants

Dated this 10th day of October 2018.



FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT

For the Financial Year ending 30 June 2018

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

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

During the course of the financial year ending 30 June 2018, there were nil (0) applications referred to the Panel, and the Panel did not meet on any occasion.

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

Panel Member Attendance				
Mem ber	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms. Shanti Ditter	0	0	0	0
Cr. Vicki Morley (DCMR)	0	0	0	0
Mr. John Brak	0	0	0	0

Panel Activity - Applications						
Constituent Council	Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	0	0	0	0	0	0
District Council of Mount Remarkable	0	0	0	0	0	0
District Council of Orroroo Carrieton	0	0	0	0	0	0
District Council of Peterborough	0	0	0	0	0	0
Totals	0	0	0	0	0	0

Wayne Hart
Public Officer and Assessment Manager



2017/2018 ANNUAL REPORT

This report was adopted at the Legatus Group Annual General Meeting of Friday 17 August 2018.

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

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

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 as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the Central Local Government Region of South Australia adopted the name of Legatus Group to which it is referred. The Legatus Group 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 Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

Contact Details: Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453 Telephone: 08 88422222 Email: ceo@legatus.sa.gov.au Website: www.legatus.sa.gov.au

Legatus Group Board of Management: The Board consists of all principal members of the Constituent Councils which for 2017/2018 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty
Barunga West Council	Mayor Cynthia Axford
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Paul Thomas AM
District Council of Mount Remarkable	Mayor Colin Nottle
District Council of Orroroo Carrieton	Chairman Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor John Rohde
Regional Council of Goyder	Mayor Peter Matthey
The Barossa Council	Mayor Bob Sloane
The Flinders Ranges Council	Mayor Peter Slattery
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Ray Agnew OAM

Office Bearers for 2017/18

Chairman:	Mayor Peter Matthey
Deputy Chairs:	Mayor Denis Clark Mayor Bob Sloane
Delegate to the LGA Board representing the Central Region of the LGA Constitution	Mayor Denis Clark Mayor Peter Matthey Cr Michael (Bim) Lange (Deputy Member)
South Australian Regional Organisation of Councils	Mayor Peter Matthey Mayor Denis Clark Mayor Bob Sloane (Deputy Member)
Chief Executive Officer:	Mr Simon Millcock
Auditor:	Mr Ian G. McDonald FCA

Meetings of the Legatus Group

The following meetings of the Board of Management were held during the 2017/18 year:

- Special Meeting 22 August 2017
- Annual General Meeting 8 September 2017
- Ordinary Meeting 8 September 2017
- Ordinary Meeting 17 November 2017
- Ordinary Meeting 16 February 2018
- Ordinary Meeting 25 May 2018

There were three committees in 2017/2018

Committee	Members	Meeting Dates
Audit Committee	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Chair Kathie Bowman • Mayor Colin Nottle • Dr Andrew Johnson (till 25/5/18) • Mr Colin Davies • Mr Peter Ackland (from 25/5/18) 	10 August 2017 1 February 2018 20 April 2018
Management Group (Council CEOs)	<ul style="list-style-type: none"> • Mr Colin Byles (Northern Areas) (Chair) • Mr James Miller (Adelaide Plains) • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr John Coombe replaced Mrs Helen Macdonald (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr David Stevenson (Goyder) • Mr Brian Carr (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Stephen Rufus replaced by Mr Kristen Clark (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson replaced by Mr Peter Ackland (Pirie Regional) • Mr Jason Kuchel (Wakefield) • Mr Andrew Cameron (Yorke Peninsula) 	4 August 2017 3 November 2017 2 February 2018 5 May 2018
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • Lee Wallis (Goyder) • Peter Porch (Northern Areas) • Colin Davies (Flinders Ranges) • Jo-Anne Buchanan (RDA Yorke Mid North) • Steve Kaesler (Barossa) • Trevor Graham (Yorke Peninsula) • Martin Waddington replaced by Tom Jones (Adelaide Plains) • Steve Watson (Clare & Gilbert Valleys) • Mike Wilde (Department of Planning, Transport and Infrastructure) 	13 March 2018 30 April 2018

Chairman's Report

It has been my pleasure to serve as Chairman in 2017/18 and I would like to take this opportunity to report on some of the highlights of the year.

We developed reports on a series of key regional state-wide issues including rubble royalties, rating equity, coastal inundation and impacts of the NDIS on local government. These have all been progressed to the South Australian Regional Organisation of Councils (SAROC). Legatus is seen as leader in regional SA having gained support across the state on these topics and ensuring that local government is taking a collaborative evidence-based approach. It is an example of how the LGA can work closely with regions in a support role.

Whilst yet to see the tangible results, the ground work undertaken has ensured that the LGA have the material required to represent the interests of regional SA councils. I am pleased to see that they have engaged with the new State Government to remove the rubble royalties that have been a major impost to many councils.

This year has seen us actively involved in the issues around LGA membership fees and the LGA constitutional changes. It should be noted that Legatus has been active in representing members; as we raised our concerns to both SAROC and to the LGA Board. Given the amount of time and expense for regional councils to attend meetings in Adelaide; I was unsatisfied with the outcome in relation to membership fees, and extremely disappointed at the limited consultation afforded to the regions.

Whilst it was disappointing to see that the Regional Procurement Business Plan was not adopted I acknowledge that this is the current thoughts of members. This led to a review of our strategic plan and we adopted an updated strategic plan and 3-year action plan.

The Road and Transport Infrastructure Advisory Committee developed a robust assessment of this years SLRP funding applications, and their work on prioritising and providing feedback has resulted in just under \$2m being allocated for five projects.

The region has been proactive in supporting the challenges and changing environment through the release of the Climate Change guide for South Australia councils, and the signing of the Sector Agreement for the Climate Change Adaptation Plan.

Our effort to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards in our region; resulted in the development of the Yorke and Mid North Regional Road Map, Yorke Regional Planning Forum and the South Australian Regional Development Conference. The progress of the three emerging leader programs undertaken in partnership with RDA Yorke Mid North was heartening to see and I am sure several projects will result from these emerging leaders in our region.

Our Charter was reviewed, and there were minor amendments made, and I'm pleased that the Audit and Risk Management Group Committee through the development of a work plan have assisted us in improving our governance. There has been valuable feedback gained from the Legatus Group Management Group meetings that have included a series of workshops and information sharing opportunities by and for the CEOs.

Phase 1 of the Regional Transport Plan 2030 was completed, and this work has formed the basis of phase 2 and that is to undertake the road deficiencies report of the significant regional local road. Securing funding for the 2-year Joint CWMS program has commenced with some positive results for the region, and I am looking forward to following the progress of this project.

Following the State Government election, we commenced dialogue with the six State Government Members of Parliament, and will continue to undertake greater interaction, given that two of these MPs are also Ministers.

In closing I would like to thank everyone who has taken a proactive role in progressing the region, and thank both Mayor Denis Clark and Mayor Bob Sloane for your roles as Deputy Chairs and your contributions at SAROC and the LGA.

Mayor Peter Matthey Chairman Legatus Group

CEO Report

In 2017-2018 the Legatus Group CEO undertook a more sub-regional approach to operations and support, due to geographical size and the number of constituent councils, this approach included both geographical and communities of interest. Along with the Legatus Group Board meetings which involved topical presentations, the Legatus Group CEOs meet for training and networking sessions coordinated through the Legatus Group CEO.

Meetings were held with each constituent council during the year on at least one occasion, and this took the form of either one on one meetings with Mayor and CEO, presentations at full council meetings or workshops with full councils.

The Legatus Group was active in consultation around the new fee structure for LGA membership, the changes to the LGA constitution and efforts to progress a regional approach for the Murray Darling Association. This included securing funding from the LGA to Regional LGAs for outreach and capacity building programs to continue in 2018/2019.

The Legatus Group took a leadership role in developing state-wide approaches through working with SAROC, constituent councils and other regional bodies including:

- I. Regional LGAs:
 - a. Coastal Council Alliance
 - b. Shorebird Alliance
 - c. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia
 - d. Socio-Economic impacts from the NDIS on regional local governments
 - e. Rubble Royalties
2. Regional Development Australia (RDA) Yorke Mid North:
 - a. 3 x Emerging Leaders Program
 - b. RDSA Conference
3. Yorke Mid North Alliance:
 - a. Yorke Mid North Regional Forum
 - b. Climate Change
 - c. Yorke Mid North Regional Roadmap

This report does not provide the detail on these reports, but copies can be found on the Legatus Group website.

In July 2017 a Legatus Group Procurement Business Plan was developed and distributed to all constituent councils. This resulted in the Legatus Group Special General meeting of 22 August 2017 and decision that the Legatus Group Procurement Business Plan not progress.

A significant amount of the Legatus Group CEO's time was taken up with planning, as there had been no business plan developed for 2017/2018 in line with the Legatus Group Charter. Upon commencing employment in June 2017, the Legatus Group CEO developed a draft business plan which was distributed to all constituent councils. Following recommendation from the Audit and Risk Management Committee the Legatus Group September meeting sought a review of this draft business plan.

The CEO was requested to undertake a review of the Legatus Group Future Directions (strategic plan). This included a comprehensive review of the Long-Term Financial Plan, and in partnership with the Constituent Councils to develop a 10-year Strategic Plan, including a 3-year Action Plan. The review was to include an external facilitator for workshops with the Board and the Constituent Councils CEO's on the future direction of the Legatus Group.

The 2017/2018 business plan was subsequently endorsed by constituent councils and the review of the Strategic Plan was completed. The Legatus Group endorsed a Legatus Group Strategic Plan 2018-2028 and 3-year Action Plan July 2018 - June 2021 and the 2018/2019 budget and business plan.

The Legatus Group continues to be in a healthy financial position with the accumulated surplus and reserves at 30 June 2018 of over \$820,000. This matter was discussed by both the Audit and Risk Management

Committee and the Legatus Group February meetings noting that an allowance for the accumulated surplus and reserves be set as a minimum of \$480,000.

Consideration on these funds should wait upon the decisions of the LGA regarding the new constitution and SAROC budgets for funding of Regional LGAs which is not yet clear. There may be the opportunity for utilising some of these funds to securing funding from other sources and for projects aligned with Legatus Group strategic directions. Due to the levels of uncertainty this was not factored into the 2018/2019 business plan for constituent council's consideration.

All grants were acquitted, and all reporting provided.

Summary of Outcomes

Education and Training

Workshops held in various locations following consultation with Legatus Group Board, Chair, CEO's and Officers and included:

1. Regional Business Incubators, Enterprise Centre and Co-Working Space Workshop
2. Community Wastewater Management workshops – resulted in an allocation of \$50,000 from the LGA for 2 years for a Joint CWMS Service Arrangements and contracting of part time project officer
3. Climate Change Adaptation - resulted in launch of Climate Change guide for South Australia councils to develop regional climate change adaptation plans
4. State Planning Commission
5. Brand SA Regional Showcase
6. Yorke and Mid North Regional Planning Day – held in Port Pirie with over 120 attendees
7. Regional Development South Australia Conference and master class on population growth – held in Kadina with over 130 attendees
8. National Disability Insurance Scheme – resulted in \$23,100 grant LGA R&D
9. State Public Health Plan – assisted with regional health plans and EOI for well being progressed by the LGA for Community Wellbeing Alliance Trials
10. Local Government Professionals
11. Benchmarking Project, Code of Conduct and Governance Panel
12. Small Business Friendly Local Government Charter Program
13. Data gathering
14. Digital maturity local governments – resulted in LGA R&D application being developed

Board Governance and Operations

1. Review of the Legatus Strategic Plan resulting in a new Strategic Plan, 3-year action plan and long term financial plan
2. Charter reviewed and amended
3. Annual work plan developed and adopted
4. Website updated

Local Government Leadership and Sustainability

1. Lead taken in:
 - a. Rubble Royalties report with recommendations to LGA Board adopted – letter sent by LGA to Treasurer and other Ministers for exempting councils from this payment
 - b. Coastal Council Alliance report with recommendations to LGA Board adopted – R&D project application developed
 - c. Socio-economic impacts of NDIS report with recommendations to LGA Board adopted
 - d. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – secured \$21,700 from LGA R&D and Regional LGAs
2. Meetings held with 5 of the 6 Local State MP's after the 2018 State Govt Election

3. Signed and implemented Sector Agreement for the Climate Change Adaptation Plan for Yorke & Mid North Region including employing a project officer
4. Formal alliance with RDA Yorke and Mid North and Northern and Yorke NRM and informal working partnerships with RDA Far North and RDA Barossa, Light, Gawler and Adelaide Plains
5. Supported the LGA with the Emergency Management Planning funding allocation and expressed interest in hosting a regional emergency management officer – result workshops being held for council ready workshops
6. Supported the LGA for a regional wellbeing officer and expressed interest in hosting a regional wellbeing officer – resulted in EOI's being sought from LGA for Community Wellbeing Alliance Trials
7. Supported the development of a State-wide Shorebird Alliance including Terms of Reference
8. Developed a Regional Procurement Business Plan which ultimately was not adopted

Regional and Community Sustainability

1. Development and release of the Yorke and Mid North Regional Plan as a collaboration with RDA Yorke Mid North and Northern and Yorke NRM
2. Delivered in partnership with DSD and RDA YMN 3 Emerging Leadership programs – result over 50 participants and the development of a Legatus Group LGA R&D grant application for a Youth Volunteering project
3. Finalised phase 1 of the Legatus Group Regional Transport Plan and commenced on phase 2
4. Undertook prioritising of the SLRP for the Legatus Group region – securing just under \$2m for 5 of the 9 projects
5. Managed the inundation mapping project with the Yorke Peninsula and Barunga West Councils
6. Developed regional Legatus Group – community, transport, wastewater and climate change committees or working groups
7. Release of the regional climate change action plan and the development of an implementation plan
8. Working partnerships have been formed with:
 - a. Yorke Mid North Disability Workforce Hub – resulted in the development of a regional forum
 - b. Mid North Knowledge Partnership (Flinders University and Charles Darwin University) – resulted in MoU being progressed
 - c. Country Health SA PHN

Benefits to constituent councils:

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

Benefits across the local government sector:

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

Observation:

There is still a need for continued regional collaboration support and a recognition that the Regional LGAs can assist the LGA on regional issues. This will help reduce the perceptions of the LGA being too Greater Adelaide focussed, which appears to be slowly reduced by having informed and data driven understandings on regional issues.

There could be greater use of the Legatus Group CEO as a resource and use of skill sets including that of other regional LGA EO's across the various regional partnerships.

It is noted the complexity of gaining consensus from the constituent councils is that it is a time-consuming process and that there is desire to progress with sub-regional programs and projects, whilst being able to allow the full 15 constituent councils to be united voice and advocate.

Simon Millcock CEO Legatus Group

The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2017-2018.

The committee met on 3 occasions during 2017-2018 with the following attendance:

Date	No of Members Attending
10-Aug-17	5
1-Feb-18	4
20-Apr-18	3

Committee Member	No of Meetings Attended
Mayor Ray Agnew	2
Chairman Kathie Bowman	3
Mayor Colin Nottle	3
Colin Davies	3
Andrew Johnson	1 (following resignation as CEO Port Pirie Council)

The following table sets out the principal issues addressed by the Committee for 2017-18 year:

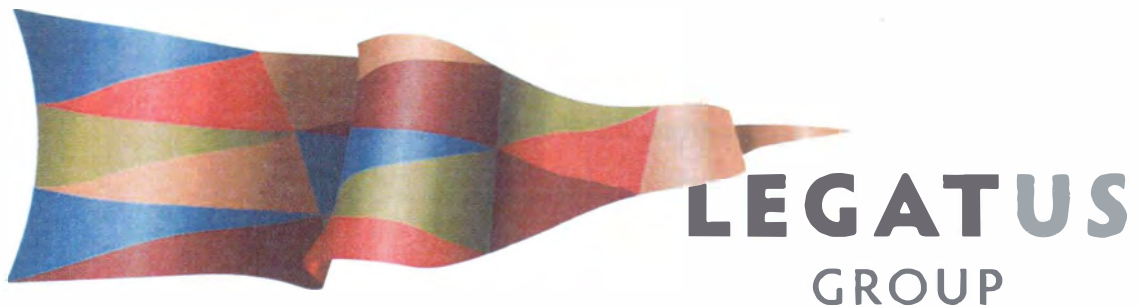
Principal Issues Examined	Recommendations to Legatus Group
Financial Report 2016-2017	No issues, unqualified audit, adopt
Review of budget against actuals	Noted the need for Legatus Group to endorse 2016-2017 adopted budget against actuals for annual financial report
Review of work plan, internal controls	Work planned developed
Charter	Variations to charter noted, recommended and adopted
Strategic Plan	Requested a review including of long term financial plan undertaken with recommendations for adoption
Budget	Noted the development of 2017-2018 budget did not comply with charter and ensured that 2018-2019 did

Mayor Ray Agnew Chairman Legatus Group Audit and Risk Management Committee

Annual Financial Report

The Legatus Group Annual General Meeting adopted the attached audited Legatus Group annual financial report statement for the year ending 30 June 2018.

CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

July 1st 2017 – June 30th 2018

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2018

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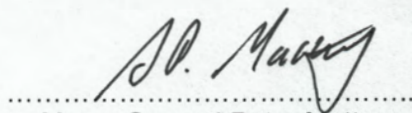
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Group's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.


.....
Simon Millcock
Chief Executive Officer


.....
Mayor Samuel Peter Matthey
President

Date: 3/8/18

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
Grants, subsidies and contributions	2	345,527	348,889
Investment income	2	13,817	12,205
Reimbursements	2	4,545	25,105
Other income	2	196,398	194,538
Total Income		<u>560,287</u>	<u>580,737</u>
EXPENSES			
Employee costs	3	218,452	261,600
Materials, contracts & other expenses	3	230,102	279,405
Depreciation, amortisation & impairment	3	6,311	9,487
Finance costs	3	-	24
Total Expenses		<u>454,865</u>	<u>550,516</u>
OPERATING SURPLUS / (DEFICIT)		<u>105,422</u>	<u>30,221</u>
NET SURPLUS / (DEFICIT)		<u>105,422</u>	<u>30,221</u>
transferred to Equity Statement			
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>105,422</u>	<u>30,221</u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	808,876	719,859
Trade & other receivables	5	8,759	25,404
Total Current Assets		817,635	745,263
Non-current Assets			
Infrastructure, property, plant & equipment	7	17,488	23,799
Total Non-current Assets		17,488	23,799
Total Assets		835,123	769,062
LIABILITIES			
Current Liabilities			
Trade & other payables	8	6,277	47,649
Provisions	8	7,037	5,214
Total Current Liabilities		13,314	52,863
Non-current Liabilities			
Provisions	8	360	172
Total Non-current Liabilities		360	172
Total Liabilities		13,674	53,035
NET ASSETS		821,449	716,027
EQUITY			
Accumulated Surplus		55,336	121,695
Other Reserves	9	766,113	594,332
TOTAL EQUITY		821,449	716,027

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

LEGATUS GROUP

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2018	Notes	\$	\$	\$
Balance at end of previous reporting period		121,695	594,332	716,027
Net Surplus / (Deficit) for Year		105,422		105,422
Other Comprehensive Income				
Transfers between reserves	9	(171,781)	171,781	-
Balance at end of period		55,336	766,113	821,449
2017				
Balance at end of previous reporting period		113,143	572,663	685,806
Net Surplus / (Deficit) for Year		30,221		30,221
Other Comprehensive Income				
Transfers between reserves	9	(21,669)	21,669	-
Balance at end of period		121,695	594,332	716,027

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		13,419	12,205
Grants utilised for operating purposes		371,442	490,490
Reimbursements		5,000	15,400
Other revenues		194,450	188,416
<u>Payments</u>			
Employee costs		(217,537)	(266,402)
Materials, contracts & other expenses		(277,757)	(273,833)
Finance payments		-	(24)
Net Cash provided by (or used in) Operating Activities		89,017	166,252
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(3,176)
Net Cash provided by (or used in) Investing Activities		-	(3,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		89,017	163,076
Cash & cash equivalents at beginning of period	11	719,859	556,783
Cash & cash equivalents at end of period	11	808,876	719,859

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

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

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

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

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

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

1.3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Group 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 Group's operations for the current reporting period.

1.4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

1.5 Property, Plant & Equipment

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

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

Office Furniture & Equipment	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

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

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

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

1.6 Payables

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

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

Employee Benefits

Salaries, Wages & Compensated Absences

The Group has one employee as at the 30th June 2018, a Chief Executive Officer. Liabilities for employee entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.25% (2017, 2.10%)
Weighted average settlement period	9 years (2017, 10 years)

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

Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation fund for the Chief Executive Officer.

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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 2 - INCOME

	2018 \$	2017 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	13,741	12,117
Banks	76	88
	<u>13,817</u>	<u>12,205</u>
REIMBURSEMENTS		
- for Legal, Climate Change, USGRPG	4,545	25,105
	<u>4,545</u>	<u>25,105</u>
OTHER INCOME		
Council Contributions	162,750	159,545
Sundry	33,648	34,993
	<u>196,398</u>	<u>194,538</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
State government	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	366,006	221,570
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
A009 - Special Projects	-	(6,281)
P009 - Climate Change	-	(4,761)
P022 - Roads & Transport	(1,805)	-
P024 - Climate Change Co-ordinator 2015-17	(51,779)	-
P026 - Strategic Procurement	-	(31,100)
Subtotal	<u>(53,584)</u>	<u>(42,142)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
P022 - Roads & Transport	-	11,314
P024 - Climate Change Co-ordinator 2015-17	-	43,943
P025 - Outreach Stage 2	49,687	33,235
P028 - Regional Capacity Building	174,543	98,086
A009 - Special Projects	1,134	-
Subtotal	<u>225,364</u>	<u>186,578</u>
<i>Unexpended at the close of this reporting period</i>	<u>537,786</u>	<u>366,006</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>171,780</u>	<u>144,436</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES

	2018 \$	2017 \$
EMPLOYEE COSTS		
Salaries and Wages	162,958	209,804
Employee leave expense	16,780	15,991
Redundancy	5,385	-
Pay in Lieu of Notice	5,385	-
Superannuation	16,330	20,785
Workers' Compensation Insurance	2,262	2,550
CEO Relocation	1,239	3,761
Professional Development	649	1,007
FBT	7,464	7,702
Total Operating Employee Costs	218,452	261,600
Total Number of Employees	1	2
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,000	1,650
Subtotal - Prescribed Expenses	<u>2,000</u>	<u>1,650</u>
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	162,372	202,888
Legal Expenses	-	8,202
Unleaded Fuel	5,576	4,934
Members Allowances & Support	4,270	4,264
Meetings & Conferences	5,318	4,852
Insurance	7,750	7,624
Rental - Premises	16,477	10,581
Advertising	316	1,050
Accommodation	3,994	3,959
Airfares	499	2,157
Travel - Reimbursement	2,445	7,036
Catering & Meals	6,340	4,768
Telephone & Internet	6,870	4,434
Postage/Stationery/IT	3,875	5,586
Sundry	2,000	5,420
Subtotal - Other Materials, Contracts & Expenses	<u>228,102</u>	<u>277,755</u>
	<u>230,102</u>	<u>279,405</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	6,311	6,311
Computers & Software	-	3,176
	<u>6,311</u>	<u>9,487</u>
FINANCE COSTS		
Interest on bank account	-	24
	<u>-</u>	<u>24</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

2018	2017
Nil	Nil

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash at Bank	3,590	77,915
Deposits at Call	805,286	641,944
	<u>808,876</u>	<u>719,859</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	3,085	2,687
Debtors - General	237	12,139
GST Recoupment	5,437	10,578
	<u>8,759</u>	<u>25,404</u>

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Nil	Nil
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LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Fair Value Level	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - PLANT & EQUIPMENT								
Motor Vehicle	-	33,353	(9,554)	23,799	-	33,353	(15,865)	17,488
Computers & Software	-	3,948	(3,948)	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	-	37,301	(13,502)	23,799	-	33,353	(15,865)	17,488
<i>Comparatives</i>	-	34,125	(4,015)	30,110	-	37,301	(13,502)	23,799

	2017	CARRYING AMOUNT MOVEMENTS DURING YEAR							2018	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
New /Upgrade		Renewals	In				Out			
Note 7 - PLANT & EQUIPMENT										
Motor Vehicle	23,799	-	-	-	(6,311)	-	-	-	-	17,488
Computers & Software	-	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	23,799	-	-	-	(6,311)	-	-	-	-	17,488
Comparatives	30,110	3,176	-	-	(9,487)					23,799

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - LIABILITIES

	2018		2017	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	-	-	23,399	-
Accrued expenses - employee entitlements	-	-	1,096	-
GST & PAYG	6,277	-	23,154	-
	<u>6,277</u>	<u>-</u>	<u>47,649</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)	7,037	360	5,214	172
	<u>7,037</u>	<u>360</u>	<u>5,214</u>	<u>172</u>

Note 9 - RESERVES

OTHER RESERVES	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	15,341	1,134	-	16,475
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	37,892	-	(1,805)	36,087
4 P024-Climate Change Co-Ordinator 2015-17	63,472	-	(51,778)	11,694
5 P025-LG Outreach Phase 2	83,235	49,687	-	132,922
6 P027-LG Reform - Incentive Risk	144,000	-	-	144,000
7 P028-Regional Capacity Building	203,026	174,543	-	377,569
TOTAL OTHER RESERVES	<u>594,332</u>	<u>225,364</u>	<u>(53,583)</u>	<u>766,113</u>
Comparatives	<u>572,663</u>	<u>186,578</u>	<u>(164,909)</u>	<u>594,332</u>

PURPOSES OF RESERVES

(Other Reserves)

- 1 **A007-Special Projects**
LGA funded support programme
- 2 **P003-Waste Management**
State Government funded technical support programme
- 3 **P022-Roads & Transport**
Legatus funded programme - Regional Development Australia Freight Strategy
- 4 **P024-Climate Change Co-ordinator 2015-17**
Regional Partners and State Government funded programme
- 5 **P025-LG Outreach Phase 2**
LGA funded programme
- 6 **P027-LG Reform - Incentive Risk**
CEO Performance fund
- 7 **P028-Regional Capacity Building**
Region rubble royalty % returned for project allocation 2017/18 on

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 10 - 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	2018 \$	2017 \$
Total cash & equivalent assets	5	808,876	719,859
Balances per Cash Flow Statement		<u>808,876</u>	<u>719,859</u>

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

Net Surplus (Deficit)	105,422	30,221
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,311	9,487
Net increase (decrease) in unpaid employee benefits	915	(4,802)
	<u>112,648</u>	<u>34,906</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	16,645	98,652
Net increase (decrease) in trade & other payables	(40,276)	32,694
Net Cash provided by (or used in) operations	<u>89,017</u>	<u>166,252</u>

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

Corporate Credit Cards	-	5,000
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Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P015-Local Government Reform
- 3 P022-Roads & Transport
- 4 P024-Climate Change Co-Ordinator 2015-17
- 5 P025-LG Outreach Phase 2
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

Note 12 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2018</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Trade & other debtors	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
Total	817,635	-	-	817,635	817,635
Financial Liabilities					
Payables	-	-	-	-	-
Total	-	-	-	-	-

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	719,859	-	-	719,859	719,859
Receivables	25,404	-	-	25,404	25,404
Total	745,263	-	-	745,263	745,263
Financial Liabilities					
Payables	46,553	-	-	46,553	46,553
Total	46,553	-	-	46,553	46,553

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 Group.

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 Group is the carrying amount, net of any allowance for doubtful debts. All Group investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Group'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 Group'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 Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 13 - FINANCIAL INDICATORS

	2018	2017	2016
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

Operating Surplus Ratio

<u>Operating Surplus</u>	18.8%	5.2%	26.0%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-143%	-119%	-135%
Total Operating Income			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	0%	0%	0%
Infrastructure & Asset Management Plan required expenditure			

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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

	2018 \$	2017 \$
Income	560,287	580,737
Expenses	(454,865)	(550,516)
Operating Surplus / (Deficit)	105,422	30,221
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	(3,176)
Add back Depreciation, Amortisation and Impairment	6,311	9,487
	6,311	6,311
Net Outlays on New and Upgraded Assets		
Amounts received specifically for New and Upgraded Assets	-	-
	-	-
Net Lending / (Borrowing) for Financial Year	111,733	36,532

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 15 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 3 persons were paid the following total compensation:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	149,999	157,411
Member Allowance	4,270	4,264
Post-employment benefits	14,250	14,954
Long term benefits	-	-
FBT	15,235	14,360
Termination benefits	-	7,834
TOTAL	183,754	198,823

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), The Group received the following amounts in total:

	2018 \$	2017 \$
Contributions for fringe benefits tax purposes	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Nil.

Legatus Group Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Legatus Group, for the year ended 30 June 2018.

Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2018 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



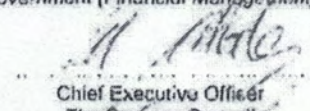
Ian G McDonald FCA
Registered Company Auditor

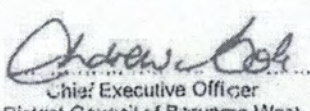
Dated at Grange this 8th day of August 2018

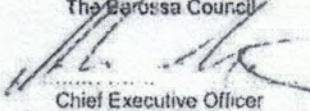
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018
CERTIFICATION OF AUDITOR INDEPENDENCE

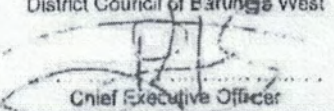
To the best of our knowledge and belief, we confirm that for the purpose of the audit of The Legatus group for the year ended 30 June 2018, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

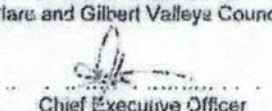
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

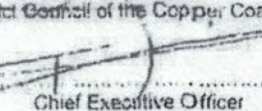

 Chief Executive Officer
 The Barossa Council

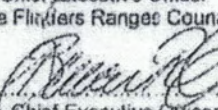

 Chief Executive Officer
 District Council of Barunga West

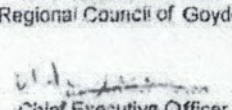

 Chief Executive Officer
 Clare and Gilbert Valley Council

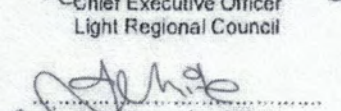

 Chief Executive Officer
 District Council of the Copper Coast

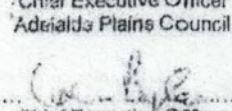

 Chief Executive Officer
 The Fintona Ranges Council

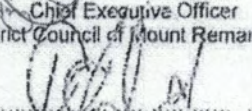

 Chief Executive Officer
 Regional Council of Goyder

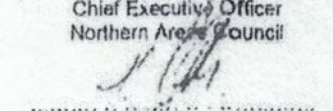

 Chief Executive Officer
 Light Regional Council

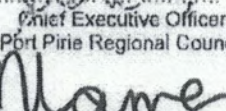

 Chief Executive Officer
 Adelaide Plains Council

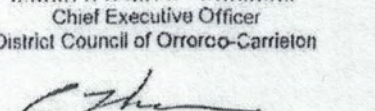

 Chief Executive Officer
 District Council of Mount Remarkable

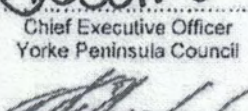

 Chief Executive Officer
 Northern Areas Council

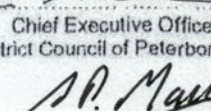

 Chief Executive Officer
 Port Pirie Regional Council


 Chief Executive Officer
 District Council of Orroroo-Carrieton


 Chief Executive Officer
 Yorke Peninsula Council


 Chief Executive Officer (Acting)
 District Council of Peterborough


 Chief Executive Officer
 Wakefield Regional Council


 Chairman
 Legatus Group
 Board of Management

Date: 8/8/2018

Legatus Group
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2018, 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*.

A handwritten signature in blue ink, appearing to read 'Ian McDonald', is positioned above the printed name.

Ian G McDonald FCA

Dated this 24 day of July 2018