



**The Flinders
Ranges Council**

ANNUAL REPORT 2016-2017

**Council Office
Telephone
Email
Website
Adopted**

**1 Seventh Street, Quorn, S.A. 5433
+61 8 8620 0500
council@frc.sa.gov.au
www.frc.sa.gov.au
21 November 2017**



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 2016-2017

FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL ANNUAL REPORT 2016-2017

LEGATUS GROUP (FORMERLY CENTRAL LOCAL GOVERNMENT REGION) ANNUAL
REPORT 2016-2017

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	1,607
Total Revenue (including Rates)	\$4,409,886
Rate Revenue (including CWMS & Garbage)	\$2,150,716
Total Expenditure	\$5,731,550
Total Capital Expenditure	\$ 755,168

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 2017.

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

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

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

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

Elected Members

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

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

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

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

Elected Members' Allowances

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

Annual Allowances as at 30 June 2017:

➤ Mayor	\$23,340.00
➤ Deputy Mayor	\$ 7,293.80
➤ Elected Member - Quorn	\$ 5,835.00
➤ Elected Member - Hawker	\$ 6,409.00

The two Hawker based Elected Members receive an additional \$574.00 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 2016-2017:

Elected Members	Kelledy Jones Webinars						Total
	July 2016	August 2016	October 2016	November 2016	April 2017	May 2017	
Mayor Peter Slattery	X	X	X	X	X	X	6
Cr Ken Anderson					X		1
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	X	5
Cr Scott Reubenicht		X	X	X	X		4
Cr Clinton Ryks-Jones	X	X	X	X	X	X	6
Cr Garry Thompson	X		X			X	3
Total training modules	1	1	1	1	1	1	6

Elector Representation

Number of Electors (as at 28 February 2017)

1,196

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

Council	Elected Members	Electors	Wards	Ward Quota
Cleve	8	1,268	1	157
Elliston	8	724	1	90
Flinders Ranges	9	1,191	1	132
Franklin Harbour	6	921	1	153
Karoonda-East Murray	7	791	1	113
Kimba	7	752	1	107
Orroroo Carrieton	7	724	1	103
Robe	7	1,267	1	181
Streaky Bay	8	1,556	2	194
Wudinna	7	864	1	123
Average excluding FRC	7	984	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	2,208	2	315
Peterborough	9	1,260	1	140
Northern Areas	9	3,445	4	382

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

Council	Elected Members	Electors	Wards	Ward Quota
Port Augusta	10	9,457	1	945

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

Use of Confidentially Provisions

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

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

The following table summarises the use (Section 90(2)) and release (Section 91(7)) of matters considered in confidence under Section 90(2) of the *Local Government Act 1999* for the period 1 July 2016 to 30 June 2017:

Date	Sec 90(2) Purpose	Council Resolution No.	Sec 91(7) Next Review Date	Sec 91(7) Release Date
21 Feb 2017	90(3)(h)	028/2017	Discussion Only	Discussion Only
21 Mar 2017	90(3)(a)	048/2017	Discussion Only	Discussion Only

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 Central Local Government Region's office, Clare.

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

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

Human Resources

The Flinders Ranges Council is an equal opportunity employer.

As at 30 June 2017, The Flinders Ranges Council employed 12.7 FTE males and 6.2 FTE females. Council also has 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.

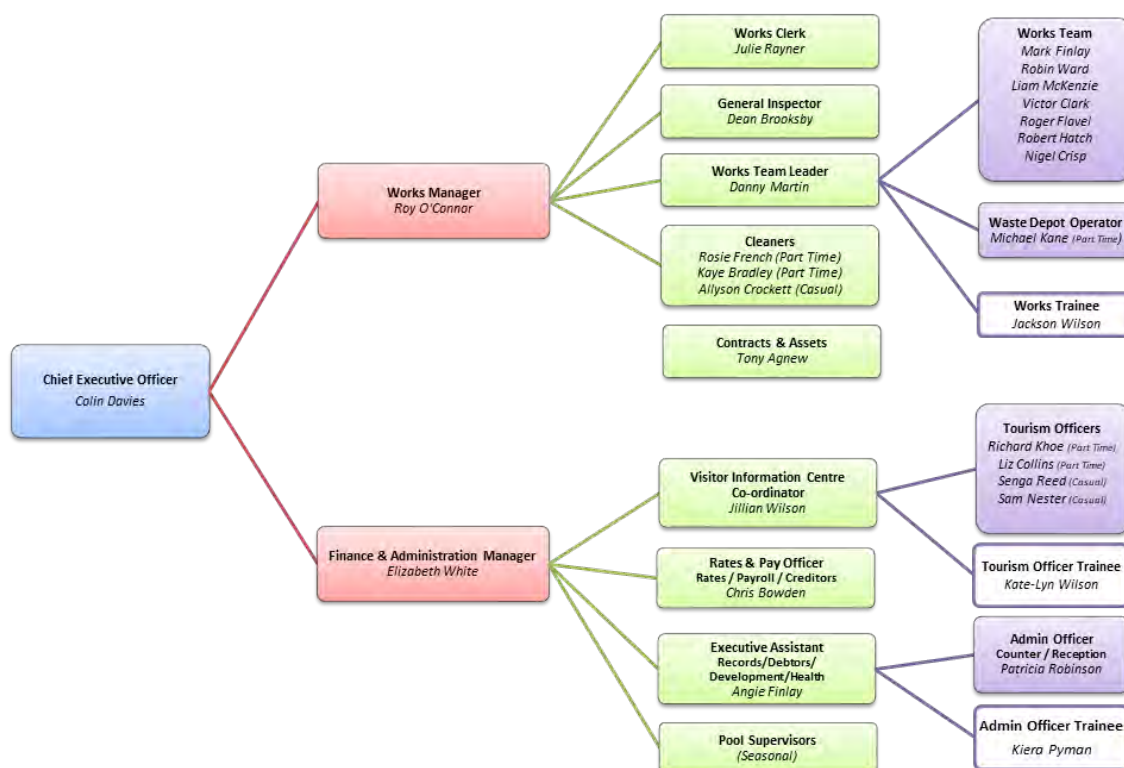
Senior Executive

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 2017:



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

Welcome to The Flinders Ranges Council's Annual Report for 2016-2017.

The past year has once more presented a number of opportunities for our region and communities, as well as some quite significant challenges. This past year, The Flinders Ranges Council has been involved in a number of presentations, hearings and lobbying exercises on behalf of our community in a broad range of areas including: NBN rollout; Telecommunications services; regional sustainability and development issues; the proposed National Radioactive Waste Management Facility; and, critically, Rural Health services generally and Hawker's GP services in particular.

It is unfortunately a fact of life in regional SA that there are too many decisions made from a North Terrace outlook, which impact on our country communities in ways not recognised, intended or appropriate. Health services have long been in this realm, and the situation late last year around the provision of GP services to the Hawker Hospital and regional community was certainly a frustrating and potentially damaging process. That a reasonable outcome was arrived at, simply exacerbates the frustration of those involved at the intransigence of the bureaucracy. In the same vein, The Flinders Ranges Council hosted a Rural Hospitals and Health Forum in Quorn in March, in conjunction with the Rural Doctors Association SA and concerned Health Advisory Council members to enable rural residents and Health industry stakeholders to share their experiences in dealing with Country Health SA and the Health bureaucracy. A number of very similar stories of facility degradation and grossly inadequate maintenance funding, of no opportunity for meaningful local input into service provision, and adversarial relationships between Doctors, Nurses and HAC members on one hand and Country Health SA on the other. Whilst the Forum was well attended, and generated significant media attention to the concerns it raised, we have not yet had an adequate response from the Minister or the Country Health SA senior management. These services are critical to the sustainability of our regional towns, so it is an area in which we must remain vigilant and engaged.

Over the course of the year, there has been a steady presence from the Department of Industry, Innovation and Science relating to the shortlisting of a site near Barndioota for the proposed National Low Level Radioactive Waste Management Facility. The local Consultative Committee was established and meets regularly including making recommendations to the Minister about distribution of the funds associated with the Community Benefit Programme, and there have been a number of visits from experts associated with the industry, ARPANSA and the Minister to meet with the community and answer questions. The process continues at this time and The Flinders Ranges Council again encourages all residents to avail themselves of as much information from reputable sources as they can to allow an informed position to be developed.

Council has also worked very closely with the Pichi Richi Railway Preservation Society in developing a case for greater State support for the continuing operations of the Railway, a key factor in our regional tourism mix and a long standing attraction which operates in an increasingly complex environment with contracting volunteer resources. Tourism is of vital importance to our local economy. We are well placed to improve it's contribution to our towns with the recent expansion of Jeff Morgan's Panorama in Hawker and current establishment of the Great Northern Lodge in Quorn being a couple of great developments.

His Excellency Hieu Van Le, Governor of South Australia, visited us in June and we were able to incorporate into his itinerary a number of volunteer groups within our towns, as well as the opportunity to have him perform the official opening of the new Hawker War Memorial. The opening was attended by the Hawker Area School and a number of community members, and it was certainly an appropriate and significant ceremony with the added gravitas of Vice-Regal involvement.

	<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>9 October 2009 November 2017 November 2018 18.68.1.1</p>
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The Memorial area is now a tremendous focal point and drawcard in Hawker, and it is a great demonstration of dedicated volunteer commitment to bettering the town and doing something meaningful for the community.

Operationally, this year saw Council continue its usual town programs (parks, reserves, halls, public facilities, roads and footpaths), regulatory roles (dogs and cats; health, building and planning services; waste management and CWMS) and roadworks (resheeting, patrol grading and flood repairs) as well as some projects such as playgrounds and shading, ongoing development at the War Memorials and Swimming Pools, kerbing and drainage works. Whilst we have again encountered some issues with project completion and accountability, Council constantly strives to ensure the best outcome is achieved for our limited funds and we are able to keep making our towns better places to live.

Council's Elected Members are committed to providing the best services we can, at the lowest cost to our ratepayers. We are always looking at options such as shared services with other Councils, outsourcing of roles where appropriate, and contracting of expertise as necessary to ensure we are operating within our legislative requirements and as efficiently as we can.

Peter Slattery
Mayor

OFFICERS' REPORTS

Chief Executive Officer

The 2016-2017 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 2016-2017:

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, Clare & Gilbert Valleys Council, District Council of Loxton Waikerie, Outback Areas Authority

Council engages with the community through the monthly Newsletters, Council's website and Council's Facebook page. Council also advertises and places articles in the Quorn Mercury, Hawker Town Crier 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 Plan.

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.

Council has continued to be very successful in obtaining grants in 2016-2017, most of which were competitive.

The Flinders Ranges Council continued programmed replacement and upgrade of Council infrastructure in 2016-2017, despite the loss of Supplementary Road Funding and indexation of the Financial Assistance Grant from the Federal Government. The Works Manager has highlighted some of the upgrades such as Carrieton Road construction and sealing and Hawker War Memorial.

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; FlindersFest; 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 Elizabeth White, Travis Hoffman, Roger Flavel, Nigel Crisp, Patricia Robinson, and Robert Hatch during 2016-2017. Unfortunately, Travis Hoffman and Rhiannon Scheltus 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 possible 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:

- ✓ Mitsubishi Pajero
- ✓ 400 litre ute mounted firefighting unit
- ✓ arborist chainsaw
- ✓ microchip scanner
- ✓ 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:

- ✓ Replacement of kerb and water-table on Wilpena Road, Hawker
- ✓ Install water-table and formulise crossovers on Seventh Street from First Street to Second Street, Quorn
- ✓ Fencing repaired/replaced in parkland paddock behind Stockyard Arena, Quorn
- ✓ Replace fencing at East Parklands, Quorn
- ✓ Fencing completed at both playgrounds, Quorn
- ✓ 70 trees planted at Quorn Cemetery
- ✓ 40 trees planted at Hawker Cemetery
- ✓ New absolution block installed at Hawker Pool
- ✓ Treatment of timber work at information and BBQ area at Blue Burt Park, Hawker
- ✓ 2 rotundas installed at Quorn Cemetery
- ✓ New heritage style furniture installed at Thompson Memorial Park, Quorn
- ✓ Traffic Management and Parking Plan undertaken by GTA consultant for Quorn and Hawker
- ✓ Veranda installed over ablution block at Community Hall, Quorn
- ✓ Stabilisation of Forrester's Hall and CWA Building at Hawker by Mainmark Engineering
- ✓ New ceiling installed Council Depot meeting room, Quorn
- ✓ Extend area for turf area at Hawker Pool including re-fencing, installation of electric BBQ, in-ground irrigation and shade cloth fitted to chainmesh fence
- ✓ Liaise with NBN CO in relation to location of nodes and works associated
- ✓ 50 trees planted at North Quorn Depot after final clean up
- ✓ New information bay at Warren Gorge entrance
- ✓ New toilet constructed and fitted to start of walking trail at Warren Gorge
- ✓ Pumping out of commercial septic tanks and grease traps Quorn and Hawker
- ✓ Replace 50m poly-line from Bore to Parklands, Quorn
- ✓ Hawker War Memorial final stage
- ✓ Quorn Admin Office internal changes to create new office space
- ✓ New blinds for Council Office and Chambers, Quorn Town Hall and Hawker Institute
- ✓ Lighting upgrade to LEDs in Quorn Council Office and Chambers.

Re-sheeting

✓ Grandview Drive	1.3 kms
✓ Ward Road	2.0 kms
✓ Yarrah Vale Road	1.0 kms
✓ Wolhalla Road	1.0 kms
✓ Warcowie Road	2.5 kms
✓ Yappala Road	1.5 kms
✓ Richmond Valley Road	1.0 kms
Total:	11.3 kms

Compliance

The table below details the General Inspectors activity during 2016-2017:

Month	Dog Attacks, Harrassment	Expiations Issued	Wandering Dog	Warnings Issued	Expiations Issued	Unregistered Dogs	Impounded Dogs	Barking Dog Complaints	Warnings Issued	Expiations Issued	Cat Complaints	Warning Issued	Parking Illegally	Verbal Warnings	Expiations Issued	Other	Current Total Dogs Registered
2015-16	4	6	33	17	7	0	0	14	8	0	27	23	31	36	0	0	582
July	0	0	7	3	4	0	0	2	2	0	4	0	1	1	0	0	179
August	4	0	8	2	2	4	4	0	0	0	0	0	1	0	0	0	339
September	1	0	5	5	0	0	1	1	0	0	2	0	1	0	0	0	384
October	6	4	7	0	4	1	1	0	0	0	0	0	0	0	0	0	479
November	0	0	3	3	0	3	1	0	0	0	8	0	0	0	0	0	496
December	0	0	3	3	0	0	1	0	0	0	6	0	0	0	0	0	496
January	0	1	3	1	3	2	2	0	0	0	2	0	1	0	0	0	496
February	0	0	0	0	0	2	0	0	0	0	7	0	0	0	0	0	494
March	0	0	0	0	0	0	0	0	0	0	2	0	1	1	0	0	498
April	0	0	7	1	5	0	1	0	0	0	3	0	2	2	0	0	498
May	1	0	2	2	0	0	0	0	0	0	7	0	0	0	0	0	498
June	1	0	6	3	3	0	1	0	0	0	2	0	0	0	0	0	498
TOTAL	13	5	51	23	21	12	12	3	2	0	43	0	7	4	0	0	

Roy O'Connor
Works Manager

Development Officer

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

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

Development Approvals

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

Class	Description	2013-2014	2014-2015	2015-2016	2016-2017
		Number of Applications	Number of Applications	Number of Applications	Number of Applications
1a	Dwelling or Dwelling Extension	6	8	9	6
1b	Boarding House, Guest House, Hostel	1	1	1	0
2	Building containing 2 or more units	0	0	0	0
3	Residential Building (e.g. aged)	0	1	0	0
4	A dwelling in a building that is Class 5 to 9 if it is the only dwelling the building	0	2	0	0
5	Office building	2	1	0	1
6	Shop or other building	1	3	0	2
7	Carpark or building for storage, display of goods or produce for sale	0	0	0	0
8	Laboratory	0	0	1	0
9	Health Care building	0	0	0	0
10a	Non-habitable building or structure (e.g. verandah, garage, shed)	40	19	37	23
10b	Swimming Pool, fence mast or antenna	1	4	3	2
Land Division Applications		0	0	0	1
Total Applications and Development Cost		51 Total Value \$3,064,466	39 Total Value \$4,310,611	51 Total Value \$1,712,353	35 Total Value \$1,949,196

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 2 applications to the Flinders Ranges Development Assessment Panel, which were approved.

Tung Pham
Development Officer

Environmental Health Officer

Brian Sickles (PPRC) replaced Scott Parsons (PACC) in July 2016 as 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 2016-2017 Financial Year:

28 inspections of food premises were conducted
 3 inspections of other premises were conducted
 No written warnings were issued
 4 high risk manufactured water systems (warm water systems) were inspected and renewed for 2016-2017.
 4 wastewater system applications were approved in 2016-2017.

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

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

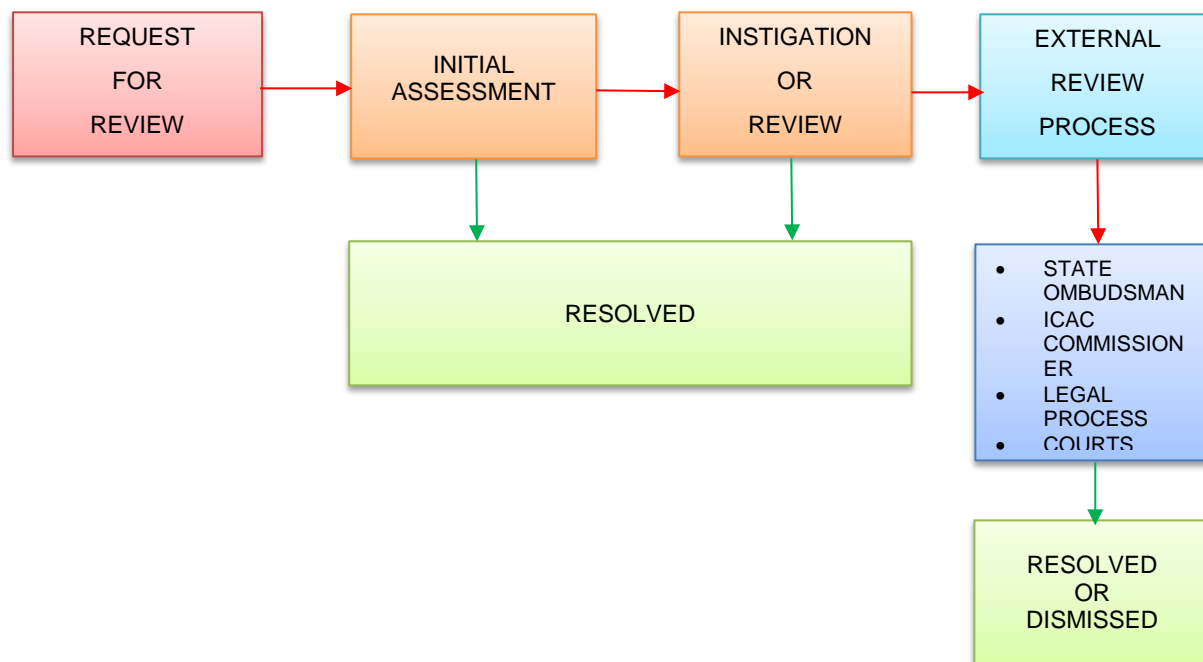
The Flinders Ranges Council is committed to transparent decision-making processes, and to providing access to a fair and objective procedure for the internal review of decisions.

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 2016-2017 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 2016-2017 reporting year, Council received one request under the *Freedom of Information Act 1991*.

Council currently has 2 FOI Officers (being the Chief Executive Officer and the Executive Assistant) as at 30 June 2017.

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 2016-2017 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 20 December 2016.

Public Access to Council Documents

During 2016-2017 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 Feb 2017	90(3)(h)	028/2017	Discussion Only	Discussion Only
21 Mar 2017	90(3)(a)	048/2017	Discussion Only	Discussion Only

Strategic Management Plan

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

During 2016-2017 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 2016-2017 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 2016-2017 was adopted on 19 July 2016.

Council has reviewed the 2016-2017 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 2016-2017.

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 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 2016-2036 was adopted on 19 July 2016.

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 2017-2018.

Auditor's Remuneration

Galpins Accountants, Auditors and Business Consultants have been awarded the contract from the 2016-2017 year audit (3 +2 contract). The contracted fee is \$19,000 for the 2016-2017 audit and indexed annually.

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

Decision Making Structure

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

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

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

Volunteers

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

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

All volunteers make a significant contribution to our communities.

WHS and Risk Management

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

Item	Number Conducted During 2015-2016	Number Conducted During 2016-2017
Contractor Induction & Update	62	28
Risk Assessments – Substances	0	3
Risk Assessments – Task	12	16
Risk Assessments – Plant	3	23
Internal Audits	4	0
Safe Work Instructions (SWIs)	1	6
WHS Meetings	6	6
Works Staff Meetings	12	12
Admin Staff Meetings	12	12
Accident / Incident Investigations	10	29
CAPA Register – new items during year	120	16
CAPA Register – Open Items as at 30Jun17	37	27
WHS Policy / Procedure Reviews	21	7

Council continues to work through its WHS Plan.

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

A summary compliance calendar for 2016-2017:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Workplace Inspections	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	58%	0%
Chemical Management	N/A	N/A	100%	N/A	100%	N/A	N/A	0%	N/A	100%	N/A	N/A
Scheduled Meetings	40%	100%	100%	100%	100%	83%	100%	100%	100%	100%	75%	0%
Register Updates	100%	100%	100%	100%	100%	100%	N/A	0%	N/A	100%	N/A	0%
Testing & Tagging	100%	100%	100%	N/A	100%	N/A	N/A	100%	100%	N/A	N/A	N/A
Emergency Preparedness	N/A	N/A	N/A	N/A	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Planned Vs Completed	55%	100%	100%	100%	84%	68%	100%	94%	91%	94%	89%	80%

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 2016-2017 reporting year.

STAFF

Administration

Chief Executive Officer	Colin Davies
Chief Financial Officer (1Jul16 to 8Jan17)	Colin Davies
Manager of Finance and Administration (from 9Jan17)	Elizabeth White
Rates / Payroll and Administration Officer	Chris Bowden
Asset Management / Contracts	Tony Agnew
Executive Assistant	Angie Finlay
Administration Officers (22May17 to 30Jun17)	Patricia Robinson
(1Jul16 to 24Mar17)	Rhiannon Scheltus

Flinders Ranges Visitor Information Centre (FRVIC)

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

Operations

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

Contract Staff

Planning Consultant	Tung Pham (PACC) / Prime Planning
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 & Kellady 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.

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

The Finance and Administration Manager is paid to compensate for time worked outside normal office hours.

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

2017 Australia Day Awards

The following 2017 Australia Day Awards were made by Council:

Citizen of the Year – Ian Rodgers

Certificate of Recognition – Barb Walker

COUNCIL COMMITTEES AND DELEGATES

Council Committees

Statutory / Management Committees

Audit Committee (Sec 126 *Local Government Act 1999*)
Flinders Regional Development Assessment Panel (Sec 34 *Development Act 1993*)
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

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

Operational Committees

Management Team
Enterprise Bargaining Committee
WHS Committee
Community Emergency Risk Management Committee
Warren Gorge Sub Committee

Council Delegates

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

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

Policies

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

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

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 2016-2017. The Policy Review Reference Committee is also proposing new policies for consideration by Council:

- Community EFTPOS Facility
- Mobile Food Vending

Delegations

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

Delegations as at 30th June 2017 were:

<i>Burial and Cremation Act 2013</i>	Colin Davies Roy O'Connor Daniel Martin
<i>Community Titles Act 1996</i>	Colin Davies Elizabeth White
<i>Development Act 1993</i>	Colin Davies Tung Pham Yantel Burns Nick Heron Lynette Brandwood Peter Harmer
<i>Dog and Cat Management Act 1995</i>	Colin Davies Roy O'Connor Dean Brooksby Daniel Martin Mark Finlay Roger Flavel Liam McKenzie
<i>Environment Protection Act 1993</i>	Colin Davies Roy O'Connor
<i>Expiation of Offences Act 1996</i>	Colin Davies Roy O'Connor Elizabeth White Dean Brooksby Brian Sickles
<i>Fences Act 1975</i>	Colin Davies Elizabeth White
<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 Roy O'Connor Dean Brooksby
<i>Heavy Vehicle National Law (SA) Act 2013</i>	Colin Davies Roy O'Connor
<i>Housing Improvement Act 1940</i>	Colin Davies Elizabeth White
<i>Impounding Act 1920</i>	Colin Davies Roy O'Connor Dean Brooksby
<i>Land and Business (Sale and Conveyancing) Act 1994</i>	Colin Davies Elizabeth White

<i>Liquor Licensing Act 1997</i>	Colin Davies Elizabeth White
<i>Local Government Act 1999</i>	Colin Davies Elizabeth White Roy O'Connor Dean Brooksby Brian Sickles
<i>Local Nuisance and Litter Control Act 2016</i>	Colin Davies Roy O'Connor Dean Brooksby
<i>Natural Resources Management Act 2004</i>	Colin Davies Roy O'Connor
<i>Private Parking Areas Act 1986</i>	Colin Davies Roy O'Connor Dean Brooksby
<i>Real Property Act 1886</i>	Colin Davies Elizabeth White
<i>Roads (Opening and Closing) Act 1991</i>	Colin Davies Roy O'Connor Daniel Martin
<i>Road Traffic Act 1961</i>	Colin Davies Roy O'Connor 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 Elizabeth White
<i>Supported Residential Facilities Act 1992</i>	Colin Davies Elizabeth White
<i>Unclaimed Goods Act 1987</i>	Colin Davies Elizabeth White
<i>Water Industry Act 2012</i>	Colin Davies Roy O'Connor Brian Sickles
<i>Work Health and Safety Act 2012</i>	Colin Davies Roy O'Connor James Holmes Daniel Martin Jillian Wilson Nigel Crisp

The Flinders Ranges Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*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 2017

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The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2017

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 2017 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: 18-Oct-17

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2017

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 2017.

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

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

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

2. A Balance Sheet

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

3. A Statement of Changes in Equity

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

4. A Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

The Flinders Ranges Council

Statement of Comprehensive Income

for the year ended 30 June 2017

\$	Notes	2017	2016
Income			
Rates Revenues	2a	2,150,716	2,094,411
Statutory Charges	2b	40,791	36,252
User Charges	2c	79,403	83,328
Grants, Subsidies and Contributions	2g	1,495,840	1,584,685
Investment Income	2d	97,668	95,035
Reimbursements	2e	42,220	81,479
Other Income	2f	503,248	386,292
Total Income		4,409,886	4,361,481
Expenses			
Employee Costs	3a	1,665,349	1,232,343
Materials, Contracts & Other Expenses	3b	2,479,601	2,211,089
Depreciation, Amortisation & Impairment	3c	1,503,145	1,240,615
Finance Costs	3d	83,455	92,840
Total Expenses		5,731,550	4,776,887
Operating Surplus / (Deficit)		(1,321,664)	(415,406)
Asset Disposal & Fair Value Adjustments	4	(2,638)	(9,959)
Amounts Received Specifically for New or Upgraded Assets	2g	648,526	1,110,000
Net Surplus / (Deficit) ¹		(675,776)	684,635
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(3,010,339)	-
Total Other Comprehensive Income		(3,010,339)	-
Total Comprehensive Income		(3,686,115)	684,635
AASB1004 Recognition			
Financial Assistance Grants Received in Advance	2ga, 8aa	767,614	(777,546)
Operating Surplus / (Deficit) adjusted for AASB1004		(554,051)	(1,192,952)
Grants Received in Advance (SLR & CCTV)	2ga, 8aa	(526,118)	565,000
Total AASB1004 Adjustments		241,496	(212,546)
Total Comprehensive Income after AASB1004		(3,444,619)	472,089

¹ Transferred to Equity Statement

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

page 4

The Flinders Ranges Council

Statement of Financial Position

as at 30 June 2017

\$	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	4,246,593	3,229,917
Trade & Other Receivables	5b	472,471	372,281
Inventories	5c	443,537	544,769
Total Current Assets		5,162,601	4,146,966
Non-Current Assets			
Financial Assets	6a	39,482	45,122
Infrastructure, Property, Plant & Equipment	7a	52,865,586	56,657,903
Total Non-Current Assets		52,905,068	56,703,025
TOTAL ASSETS		58,067,669	60,849,991
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	1,251,742	765,501
Borrowings	8b	203,782	195,966
Provisions	8c	1,322,535	721,185
Total Current Liabilities		2,778,059	1,682,652
Non-Current Liabilities			
Borrowings	8b	1,103,306	1,307,088
Provisions	8c	56,175	44,008
Total Non-Current Liabilities		1,159,481	1,351,095
TOTAL LIABILITIES		3,937,540	3,033,748
Net Assets		54,130,129	57,816,244
EQUITY			
Accumulated Surplus		14,612,093	16,500,415
Asset Revaluation Reserves	9a	35,764,708	38,775,047
Other Reserves	9b	3,753,328	2,540,782
Total Council Equity		54,130,129	57,816,244

The Flinders Ranges Council

Statement of Changes in Equity for the year ended 30 June 2017

			Asset		
\$	Notes	Accumulated Surplus	Revaluation Reserve	Other Reserves	Total Equity
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)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(3,010,339)	-	(3,010,339)
Other Comprehensive Income		-	(3,010,339)	-	(3,010,339)
Total Comprehensive Income		(675,776)	(3,010,339)	-	(3,686,115)
c. 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

			Asset		
\$	Notes	Accumulated Surplus	Revaluation Reserve	Other Reserves	Total Equity
2016					
Balance at the end of previous reporting period		15,594,306	38,775,047	2,762,256	57,131,609
a. Net Surplus / (Deficit) for Year		684,635	-	-	684,635
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		684,635	-	-	684,635
c. Transfers between Reserves		221,474	-	(221,474)	-
Balance at the end of period		16,500,415	38,775,047	2,540,782	57,816,244

The Flinders Ranges Council

Statement of Cash Flows

for the year ended 30 June 2017

\$	Notes	2017	2016
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		4,418,715	4,477,511
Investment Receipts		97,668	95,035
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(3,147,598)	(4,340,600)
Finance Payments		(86,328)	(95,199)
Net Cash provided by (or used in) Operating Activities	11b	1,282,457	136,747
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		648,526	1,110,000
Sale of Replaced Assets		31,364	44,090
Repayments of Loans by Community Groups		5,463	5,932
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(44,944)	(376,329)
Expenditure on New/Upgraded Assets		(710,224)	(1,389,914)
Net Cash provided by (or used in) Investing Activities		(69,815)	(606,222)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayments of Borrowings		(195,966)	(158,479)
Net Cash provided by (or used in) Financing Activities		(195,966)	(158,479)
Net Increase (Decrease) in Cash Held		1,016,676	(627,953)
plus: Cash & Cash Equivalents at beginning of period	11a	3,229,917	3,857,871
Cash & Cash Equivalents at end of period	11a	4,246,593	3,229,917

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 18 October 2017.

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).

Other 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.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

appropriate proportion of variable and fixed overhead.

6.2 Materiality

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

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

6.3 Subsequent Recognition

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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
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 to 80 years
Culverts	60 years
Flood Control Structures	50 to 80 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	50 to 80 years
Reticulation Pipes – other	25 to 75 years
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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable

assumption is made that the current replacement cost exceeds the original cost of acquisition.

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Council does not make payment for untaken sick leave.

9.2 Superannuation

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

10 Provisions 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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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"

- 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.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result, Council has disclosed more information about related

parties and transactions with those related parties. This information is presented in Note 21.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

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 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- 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 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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

- AASB 9 *Financial Instruments* (December 2009)
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010)
- 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 1057 *Application of Australian Accounting Standards*
- 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*

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

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

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 2017

Note 2. Income

\$	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		1,712,821	1,649,476
Less: Mandatory Rebates		(60,359)	(59,192)
Total General Rates		1,652,462	1,590,284
Other Rates (Including Service Charges)			
Natural Resource Management Levy		41,868	33,663
Waste Collection		191,250	203,065
Community Wastewater Management Systems		241,920	243,470
Total Other Rates		475,038	480,198
Other Charges			
Penalties for Late Payment		23,216	23,935
Total Other Charges		23,216	23,935
Less: Discretionary Rebates, Remissions & Write Offs		-	(6)
Total Rates Revenues		2,150,716	2,094,411
(b). Statutory Charges			
Development Act Fees		21,372	19,913
Health & Septic Tank Inspection Fees		-	214
Animal Registration Fees & Fines		16,384	12,430
Other Licences, Fees & Fines		3,035	3,695
Total Statutory Charges		40,791	36,252
(c). User Charges			
Cemetery/Crematoria Fees		13,665	16,979
Hall & Equipment Hire		3,739	7,347
Sundry		2,236	4,023
Swimming Pools		31,619	34,050
Community Bus Hire		8,419	4,052
Waste Management		19,107	16,350
Airport Fees		618	527
Total User Charges		79,403	83,328

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		92,097	92,620
- Banks & Other		2,105	2,415
- Loans to Community Groups		3,466	-
Total Investment Income		97,668	95,035
(e). Reimbursements			
Private Works		22,152	686
Shared Services Fees		8,758	6,941
Recreation & Sport - Oval		5,507	-
Workers Insurance		3,158	-
Other		2,645	73,852
Total Reimbursements		42,220	81,479
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		56,324	22,292
Rebates & Incentives Received		56,942	24,001
Sundry		17,242	63,136
Commercial Income		53,992	17,267
Donations		13,975	6,495
Outback Community Authority		14,198	15,062
FRVIC		266,142	238,039
Warren's Gorge		24,433	-
Total Other Income		503,248	386,292

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$	Notes	2017	2016
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		648,526	1,110,000
Other Grants, Subsidies and Contributions		1,495,840	1,584,685
Total Grants, Subsidies, Contributions		2,144,366	2,694,685
(ga). AASB1004 Recognition - Grants, Subsidies, Contribution			
Amounts Received Specifically for New or Upgraded Assets - AASB1004 adjustment		(526,118)	565,000
Other Grants, Subsidies and Contributions - AASB1004 adjustment		767,614	(777,546)
Total Grants, Subsidies, Contributions - AASB1004 adjustments		241,496	(212,546)
AASB1004 adjusted Total Grants, Subsidies, Contributions		2,385,862	2,482,139
The functions to which these grants relate are shown in Note 12.			
Sources of grants			
Commonwealth Government		1,964,849	2,613,592
State Government		179,518	81,093
Total		2,144,367	2,694,685
AASB1004 adjusted Sources of grants			
Commonwealth Government		2,167,463	2,401,046
State Government		218,400	81,093
Total		2,385,863	2,482,139

*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 2017, must be recognised as revenue in the 2016-2017 financial year, and the CCTV Grant funding received but not expended during 2016-2017 must be recorded as revenue in the 2016-2017 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 2017

Note 2. Income (continued)

\$	Notes	2017	2016
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		-	88,490
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Heritage & Cultural Services		-	(88,490)
Subtotal		-	(88,490)
<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		67,500	-
Sporting & Recreation Services		7,359	-
Subtotal		465,089	-
Unexpended at the close of this reporting period		465,089	-
Net increase (decrease) in assets subject to conditions in the current reporting period		465,089	(88,490)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses

\$	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		1,347,036	1,281,310
Employee Leave Expense		198,040	35,006
Superannuation - Defined Contribution Plan Contributions	18	123,072	105,555
Workers' Compensation Payments		1,069	1,689
Less: Capitalised and Distributed Costs		(3,868)	(191,217)
Total Operating Employee Costs		1,665,349	1,232,343
Total Number of Employees (full time equivalent at end of reporting period)		22	19
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		26,461	30,102
Bad and Doubtful Debts		-	366
Elected Members' Expenses		87,001	80,058
Election Expenses		483	463
Subtotal - Prescribed Expenses		113,945	110,988
(ii) Other Materials, Contracts and Expenses			
Contractors		572,022	731,488
Energy - Fuel & Power		74,288	77,942
Individually Significant Items		-	65,555
Legal Expenses		23,632	36,279
Levies Paid to Government - NRM levy		40,684	33,957
Levies - Other		3,753	3,856
Parts, Accessories & Consumables		40,848	42,876
Professional Services		32,731	36,041
Sundry		252,784	283,673
Waste Management		198,526	204,050
Insurance		112,692	124,328
Vehicle Maintenance		90,457	142,221
FBT		14,188	9,006
FRVIC		274,457	207,872
Workers Compensation Insurance		81,602	100,958
Rubble / Crushed Rock		44,150	-
Road Construction & Maintenance		1,235,623	1,111,234
CWMS		24,520	54,375
Building Upgrades		-	21,344
Less: Capitalised and Distributed Costs		(751,301)	(1,186,953)
Subtotal - Other Material, Contracts & Expenses		2,365,656	2,100,101
Total Materials, Contracts and Other Expenses		2,479,601	2,211,089
(iii) Individually significant items			
Flood Damage Repairs (Own Funds - No State Government Support)		-	65,555

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses (continued)

\$	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
Infrastructure		477,864	370,728
CWMS		72,354	61,379
Plant & Equipment		146,438	149,543
Furniture & Fittings		28,233	19,898
Buildings		778,256	629,549
Total Depreciation, Amortisation and Impairment		1,503,145	1,240,615
(d). Finance Costs			
Interest on Loans		83,455	92,840
Total Finance Costs		83,455	92,840

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

Assets Renewed or Directly Replaced

Proceeds from Disposal	31,364	(9,959)
Less: Carrying Amount of Assets Sold	(34,002)	-
Gain (Loss) on Disposal	(2,638)	(9,959)
Net Gain (Loss) on Disposal or Revaluation of Assets	(2,638)	(9,959)

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 5. Current Assets

\$	Notes	2017	2016
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		98,243	(18,386)
Deposits at Call		398,350	498,303
Short Term Deposits & Bills, etc.		3,750,000	2,750,000
Total Cash & Cash Equivalents		4,246,593	3,229,917
(b). Trade & Other Receivables			
Rates - General & Other		294,719	276,761
Accrued Interest		21,689	20,398
Debtors - General		74,583	67,274
Prepayments		21,479	-
Loans to Community Organisations		4,347	4,170
Accrued Income - ATO		44,781	-
Other		10,873	3,677
Subtotal		472,471	372,281
Less: Allowance for Doubtful Debts		-	-
Total Trade & Other Receivables		472,471	372,281
(c). Inventories			
Stores & Materials		407,780	495,566
Trading Stock		35,757	49,203
Total Inventories		443,537	544,769

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

Loans to Community Organisations		39,482	45,122
Subtotal		39,482	45,122
Less: Allowance for Doubtful Debts		-	-
Total Financial Assets		39,482	45,122

The Flinders Ranges Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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

\$		Fair Value Level	as at 30/6/2016				Asset Movements during the Reporting Period					as at 30/6/2017				
			At Fair Value	At Cost	Accumulated		Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Net Revaluation to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
					Dep'n	Impairment	New / Upgrade	Renewals						Dep'n	Impairment	
Infrastructure	3		39,610,598	-	5,207,176	-	663,276	-	-	(477,864)	(2,040,374)	39,187,037	-	6,638,577	-	32,548,460
CWMS	3		3,845,593	-	1,071,729	-	-	-	-	(72,354)	47,631	4,124,928	-	1,375,787	-	2,749,141
Plant & Equipment	3		2,833,007	-	1,341,705	-	-	44,945	(34,002)	(146,438)	(39,193)	2,934,982	-	1,618,369	-	1,316,613
Furniture & Fittings	3		552,989	-	286,439	-	-	-	-	(28,233)	(89,104)	242,500	-	93,287	-	149,213
Buildings	3		26,736,153	-	11,631,654	-	46,948	-	-	(778,256)	(1,120,396)	28,673,188	-	15,420,393	-	13,252,795
Land	2		-	-	-	-	-	-	-	-	1,641,465	1,641,465	-	-	-	1,641,465
Land	3		2,574,000	-	-	-	-	-	-	-	(1,366,101)	1,207,899	-	-	-	1,207,899
Minor Plant	3		141,562	-	97,295	-	-	-	-	-	(44,267)	-	-	-	-	-
Total Infrastructure, Property, Plant & Equipment			76,293,901	-	19,635,998	-	710,224	44,945	(34,002)	(1,503,145)	(3,010,339)	78,011,999	-	25,146,413	-	52,865,586
Comparatives			74,645,157	-	18,458,833	-	1,389,914	376,329	(54,050)	(1,240,615)	-	76,293,901	-	19,635,998	-	56,657,903

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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 (written down) 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 2017

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 2017

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 2017

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 2017

Note 8. Liabilities

		2017	2017	2016	2016
\$	Notes	Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		381,325	-	531	-
Payments Received in Advance		806,496	-	621,738	-
Accrued Expenses - Employee Entitlements		29,269	-	-	-
Accrued Expenses - Finance Costs		22,786	-	25,658	-
Accrued Expenses - Other		11,866	-	117,574	-
Total Trade and Other Payables		1,251,742	-	765,501	-

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

Payments Received in Advance - AASB1004 adjustment			
FAGs Received in Advance	(767,614)		777,546
Other Grants Received in Advance (CCTV)	(38,882)		-
Other Grants Received in Advance (SLR 2016)	565,000		(565,000)
Total AASB1004 Adjustments	(241,496)		212,546
AASB 1004 Adjusted Trade & Other Payables	1,010,246		978,047

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	203,782	1,103,306	195,966	1,307,088
Total Borrowings	203,782	1,103,306	195,966	1,307,088

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

(c). Provisions

Employee Entitlements (including oncosts)	415,949	56,175	278,382	44,008
Future Reinstatement / Restoration, etc	431,212	-	431,212	-
Unspent Grants	465,090	-	-	-
Other	10,284	-	11,590	-
Total Provisions	1,322,535	56,175	721,185	44,008

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 9. Reserves

\$	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Infrastructure	17,780,217	(2,040,374)	-	-	15,739,843
CWMS	768,432	47,631	-	-	816,063
Plant & Equipment	(67,043)	(39,193)	-	-	(106,236)
Furniture & Fittings	125,382	(89,104)	-	-	36,278
Buildings	11,438,852	(845,032)	-	-	10,593,820
Minor Plant	60,193	(44,267)	-	-	15,926
Other Assets	8,669,014	-	-	-	8,669,014
Total Asset Revaluation Reserve	38,775,047	(3,010,339)	-	-	35,764,708
Comparatives	38,775,047	-	-	-	38,775,047

\$	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
NRM Levy	230	1,189	-	-	1,419
Land & Buildings	100,000	1,614	(31,639)	-	69,975
Plant Replacement	-	250,000	-	-	250,000
Other	1,052,248	375,432	(6,640)	-	1,421,040
Garbage Service Charge	120,331	45,726	-	-	166,057
Stormwater Dams	2,000	43	-	-	2,043
Community Trust Funds	21,522	11,467	-	-	32,989
Hawker CWMS Service Charge	160,791	35,342	-	-	196,133
Quorn CWMS Service Charge	1,035,399	22,403	(43,435)	-	1,014,367
Airstrips	-	150,000	-	-	150,000
Roads	-	400,000	-	-	400,000
Community Buses	48,262	1,044	-	-	49,306
Total Other Reserves	2,540,782	1,294,260	(81,714)	-	3,753,328
Comparatives	2,762,256	117,101	(338,575)	-	2,540,782

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 2017

Note 10. Assets Subject to Restrictions

\$	Notes	2017	2016
<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			
CWMS Annual Service Charge		1,210,499	1,196,190
Garbage Annual Service Charge		166,057	120,331
NRM Levy		1,418	230
Unexpended Grant funds		465,090	-
Employee Entitlements		404,783	322,390
Total Cash & Financial Assets		2,247,847	1,639,141
Total Assets Subject to Externally Imposed Restrictions		2,247,847	1,639,141

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2017	2016
(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	4,246,593	3,229,917
Balances per Statement of Cash Flows		4,246,593	3,229,917

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

Net Surplus/(Deficit)	(675,776)	684,635
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	1,503,145	1,240,615
Net Increase/(Decrease) in Unpaid Employee Benefits	149,734	(92,261)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)	(648,526)	(1,110,000)
Net (Gain) Loss on Disposals	2,638	9,959
	331,215	732,948
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(100,013)	15,776
Net (Increase)/Decrease in Inventories	101,232	(254,006)
Net (Increase)/Decrease in Other Current Assets	(0)	(49,291)
Net Increase/(Decrease) in Trade & Other Payables	486,240	(320,271)
Net Increase/(Decrease) in Other Provisions	463,783	11,590
Net Cash provided by (or used in) operations	1,282,457	136,747

(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	8,000
LGFA Cash Advance Debenture Facility	1,000,000	1,000,000

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

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 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$										
Administration	3,011,415	2,914,047	302,137	255,508	2,709,278	2,658,539	1,201,504	1,218,241	-	-
Public Order & Health	3,246	1,675	74,442	35,621	(71,196)	(33,946)	-	-	-	-
Social Security & Welfare	9,909	6,563	17,274	25,886	(7,365)	(19,323)	-	-	-	-
Community Amenities	469,556	480,773	897,248	824,983	(427,692)	(344,210)	3,636	909	-	-
Recreation & Culture	106,454	71,100	1,685,480	1,260,560	(1,579,025)	(1,189,460)	1,112	1,112	-	-
Agricultural Services	41,868	37,685	41,073	41,234	795	(3,549)	-	4,022	-	-
Regulatory Services	47,001	39,953	197,336	186,149	(150,335)	(146,196)	-	-	-	-
Transport & Communication	289,588	304,857	1,334,892	1,078,379	(1,045,304)	(773,522)	289,588	304,857	-	-
Economic Development	267,822	240,098	547,581	450,967	(279,759)	(210,869)	-	-	-	-
Not Elsewhere Classified	163,027	264,730	268,387	428,314	(105,360)	(163,584)	-	55,544	-	-
Works Overheads	-	-	365,701	189,286	(365,701)	(189,286)	-	-	-	-
Other Functions/Activities	-	-	-	-	-	-	-	-	58,067,669	60,849,991
Total Functions/Activities	4,409,886	4,361,481	5,731,550	4,776,887	(1,321,664)	(415,406)	1,495,840	1,584,685	58,067,669	60,849,991

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 2017

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 2017

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% (2016: 2% and 3%). Short term deposits have an average maturity of 30 days and an average interest rate of 2.4% (2016: 30 days and 2%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

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

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.5833% per month (2016: 0.6042%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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 2017

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 six monthly; interest is charged at fixed rates on fixed term borrowings and at variable rates on short term cash advance with rates between 4.00% & 6.65% (2016: 4.55% & 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 2017

Note 13. Financial Instruments (continued)

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
\$					
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

	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
\$					
2016					
Financial Assets					
Cash & Equivalents	3,229,917	-	-	3,229,917	3,229,917
Receivables	91,350	-	-	91,350	91,350
Other Financial Assets	5,463	23,779	20,049	49,291	49,291
Total Financial Assets	3,326,730	23,779	20,049	3,370,558	3,370,558

Financial Liabilities					
Payables	26,190	-	-	26,190	26,190
Current Borrowings	195,966	-	-	195,966	195,966
Non-Current Borrowings	-	1,281,856	25,232	1,307,088	1,307,088
Total Financial Liabilities	222,156	1,281,856	25,232	1,529,244	1,529,244

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	7.92%	-	8.02%	-
Other Variable Rates	3.75%	-	4.00%	-
Fixed Interest Rates	5.94%	1,307,088	5.82%	1,503,054
		1,307,088		1,503,054

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 2017

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

2017

2016

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

Audit Services	57,000	76,000
Employee Remuneration Contracts	681,751	576,000
	738,751	652,000

These expenditures are payable:

Not later than one year	300,751	307,000
Later than one year and not later than 5 years	438,000	345,000
Later than 5 years	-	-
	738,751	652,000

The Flinders Ranges Council

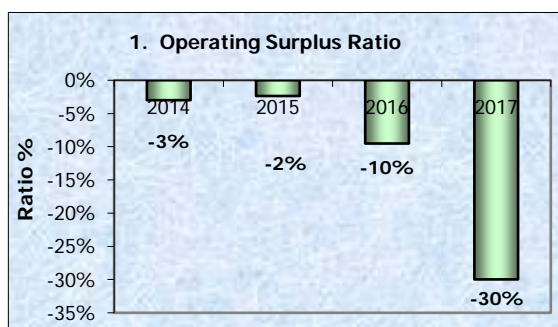
Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators

\$	Amounts 2017	Indicator 2017	Prior Periods 2016	2015
<p>These Financial Indicators have been calculated in accordance with <i>Information paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</p>				
1. Operating Surplus Ratio				
Operating Surplus	(1,321,664)			
Total Operating Revenue	4,409,886	(30%)	(10%)	(2%)
<p><i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i></p>				
1a. Adjusted Operating Surplus Ratio				
In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for compliance with AASB 1004 disclosures and the resultant distortion in the operating result for each year.	(554,050) 5,177,500	(11%)	(33%)	13%
2. Net Financial Liabilities Ratio				
Net Financial Liabilities	(821,006)			
Total Operating Revenue	4,409,886	(19%)	(14%)	(15%)
<p><i>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.</i></p>				
2a. Adjusted Net Financial Liabilities Ratio				
Similarly to indicator 1a (above), the Adjusted Net Financial Liabilities Ratio adjusts for compliance with AASB 1004 disclosures and the resultant distortion in the financial position for each year.	(1,588,620) 5,177,500	(31%)	5%	(28%)
3. Asset Sustainability Ratio				
Net Asset Renewals	44,944			
Infrastructure & Asset Management Plan required expenditure	1,503,145	3%	30%	15%
<p><i>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.</i></p>				
3a. Adjusted Asset Sustainability Ratio				
Net Asset Renewals, Additions & Upgrades	755,168			
Infrastructure & Asset Management Plan required expenditure	1,503,145	50%	142%	260%
<p><i>Within this adjusted ratio, Net Asset Renewals, Additions and Upgrades expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and <u>includes</u> new capital expenditure on the acquisition of additional assets. Council considers this to be a better indicator of how Council's asset based is being maintained and improved.</i></p>				

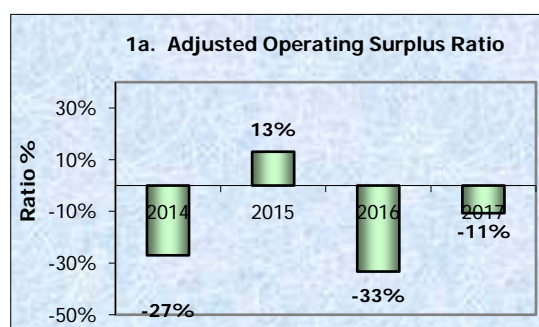
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 15. Financial Indicators - Graphs (continued)

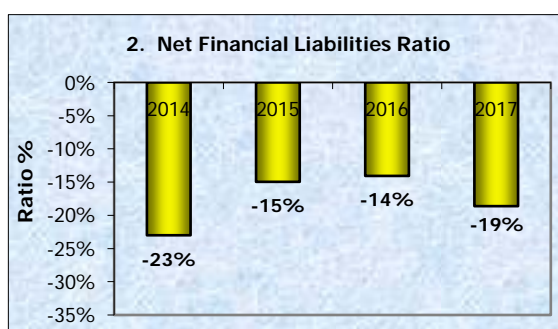


Purpose of Operating Surplus Ratio

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

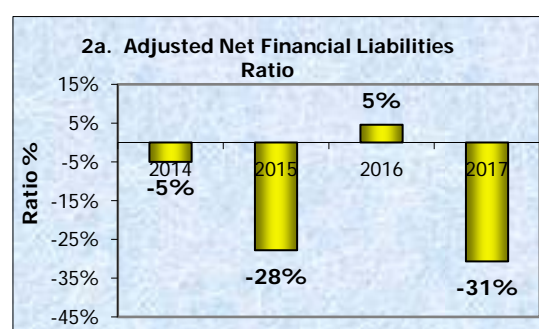


2016/17 Ratio -30%

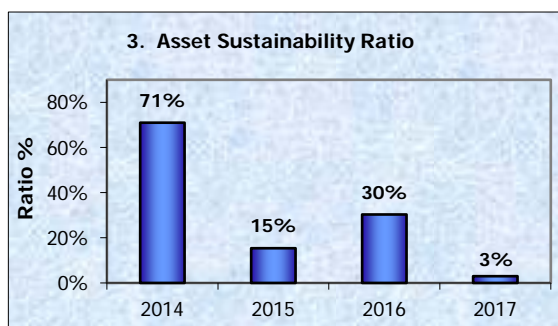


Purpose of Net Financial Liabilities Ratio

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

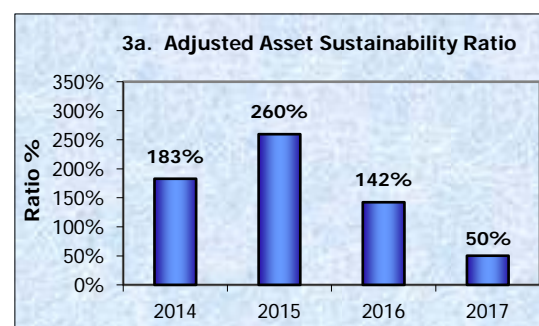


2016/17 Ratio -19%



Purpose of Asset Sustainability Ratio

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



2016/17 Ratio 3%

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$	2017	2016
<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	4,409,886	4,361,481
less Expenses	(5,731,550)	(4,776,887)
Operating Surplus / (Deficit)	(1,321,664)	(415,406)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	44,944	376,329
less Depreciation, Amortisation and Impairment	(1,503,145)	(1,240,615)
less Proceeds from Sale of Replaced Assets	(31,364)	(44,090)
Subtotal	(1,489,565)	(908,376)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	710,224	1,389,914
less Amounts Received Specifically for New and Upgraded Assets	(648,526)	(1,110,000)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	61,698	279,914
Net Lending / (Borrowing) for Financial Year	106,203	213,056

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 17. Operating Leases

\$	2017	2016
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Leases Providing Revenue to the Council

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

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

Not later than one year	4,000	4,000
Later than one year and not later than 5 years	16,000	16,000
Later than 5 years	-	4,000
	<u>20,000</u>	<u>24,000</u>

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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 2016/17; 9.50% in 2015/16). 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 2015/16) of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

Note 19. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 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 \$43,828 (2016: \$49,291) at reporting date.

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

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of no appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 20. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2017, 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 03/11/17.

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 21. Related Party Transactions

\$

2017

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.

	#	\$
Short-Term Benefits	30	454,180
Post-Employment Benefits	3	62,425
Long-Term Benefits	3	52,463
Total	36	569,068

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

Of these amounts, \$419,388 has been paid, \$148,406 is payable by Council and \$1,304 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:

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 21. Related Party Transactions (continued)

\$

2017

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 \$198.75 with the full amount paid prior to 30 June 2017.

Two (2) Key Management Personnel are members of the Hawker Community Development Board Incorporated which 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. No fees for this application were raised as the development was on Council land.

Three (3) Key Management Personnel are on the Executive of the Pichi Richi Railway Preservation Society Inc. Council collected ticket sale income of \$160,873.13 for the organisation and paid this to the organisation during the reporting period. A further amount of \$17,013.64 remained payable to the organisation by Council at 30 June 2017. Council paid the organisation lease fees of \$27,500 during the reporting period. A further amount of \$13,750 remained payable to the organisation by Council at 30 June 2017. Council paid the organisation for memberships, donations taken & other items totalling \$300 during the reporting period. Council provided the organisation with discretionary rate rebates of \$5,642.20 during the reporting period. 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.

One (1) Key Management Personnel Chairs the Quorn Men's Shed Association. During the reporting period, Council auspiced a grant of \$8,000 on behalf of the organisation from the Department for Communities and Social Inclusion. This amount was received by Council and subsequently paid to the organisation. 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.

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 two grants under the Department's National Radioactive Waste Management Facility Community Benefit Programme totalling \$115,000. Of this amount, \$103,500 was received in the reporting period, with the balance \$11,500 to be received in 2017 / 2018.

One (1) Key Management Personnel is on the Board of the Hawker Community Sports Centre Inc. Council paid this organisation \$4,166.67 for water for the Hawker Swimming Pool and \$144 for Elected Member meals. 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 21. Related Party Transactions (continued)

\$

2017

Parties Related to Key Management Personnel (continued)

One (1) Key Management Personnel is an employee of the Department for Environment, Water & Natural Resources. Council collected and paid to the Department an amount of \$41,630 for the Northern and Yorke NRM levy. For undertaking this, Council received a payment of \$3,010.60 from the Department. Council purchased maps, park entry and camping permits from the Department totalling \$7,378.68 which were sold through the Visitor Information Centre. Council received commissions of \$379.67 for undertaking this. Council paid the Department a Heritage Referral Fee of \$173. Council paid the Department an amount of \$1,179.41 for the Dog and Cat Management Board. Council received a payment of \$190 from the Department for Venue Hire. At the end of the reporting period, an amount of \$536.82 was payable by Council to the Department.

One (1) Key Management Personnel is an employee of the Department for Education and Child Development. Council provided in-kind works during the reporting period at the Quorn Kindergarten.

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 \$11,456.93 during the reporting period. At 30 June 2017, a balance of \$420.36 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 \$20,985.06 to the organisation. As at 30 June 2017, no amounts were outstanding.

One (1) Key Management Personnel is a member of the Quorn Bowling Club. During the reporting period, Council received payments from the organisation of \$3,741.92 for water and insurance reimbursements. The organisation also paid Council an amount of \$5,231.90 in loan repayments. The total loan principal outstanding at 30 June 2017 was \$43,828.30. An amount of \$3,124.63 remained payable to Council. 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 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 \$2,190 discretionary rate rebate. As at 30 June 2017, no amounts were outstanding.

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 22. Reconciliation of Grants Received

\$	Notes	Opening Balance	Movements Received	Expended	Closing Balance
Grants					
General Purpose - Commonwealth					
Grants Commission Grant - General Purpose		-	1,201,504	(1,201,504)	-
Grants Commission Grant - Local Roads		-	289,588	(289,588)	-
Total General Purpose Grants		-	1,491,092	(1,491,092)	-
Specific Purpose					
Hawker Hall		-	67,500	-	67,500
Hawker Pool		-	36,000	(28,641)	7,359
Libraries		-	1,112	(1,112)	-
Total Specific Purpose Grants		-	104,612	(29,753)	74,859
Total Other Grants		-	1,595,704	(1,520,845)	74,859
Comparatives		-	-	-	-
Grants Specifically for New/Upgraded Assets					
Specific Purpose					
Roads to Recovery		-	441,516	(441,516)	-
Specific Local Roads Grant		-	565,333	(175,103)	390,230
Total Grants Specifically for New/Upgraded Assets		-	1,006,849	(616,619)	390,230
Comparatives		-	-	-	-

The Flinders Ranges Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

Note 23. 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

\$	2017 Budget	2017 Actual	2017 ----- Variance* -----	
REVENUES				
Rates Revenues	2,156,300	2,150,716	(5,585)	(0%) U
Statutory Charges	35,900	40,791	4,891	14% F
Development fees and dog registration fees and fines higher than anticipated				
User Charges	74,800	79,403	4,603	6% F
Grants, Subsidies & Contributions	1,524,600	1,495,840	(28,760)	(2%) U
Investment Income	58,200	97,668	39,468	68% F
More funds on hand to invest due to income received in advance				
Reimbursements	19,000	42,220	23,220	122% F
Health & Dev. Services reimb. unbudgeted and large Workers Compensation Insurance reimb. received				
Other Income	313,400	503,248	189,848	61% F
Commercial Activity income significantly higher, and Insurance, Training and Fuel Rebates higher than anticipated.				
EXPENSES				
Employee Costs	1,593,400	1,665,349	71,949	5% U
Materials, Contracts & Other Expenses	2,931,400	2,479,601	(451,799)	(15%) F
Primarily timing issues (see last year), contract replacement staff used				
Depreciation, Amortisation & Impairment	1,131,800	1,503,145	371,345	33% U
Depreciation higher than anticipated following full asset revaluation process.				
Finance Costs	88,200	83,455	(4,745)	(5%) F
CAPITAL REVENUES / EXPENSES				
Asset Disposal & Fair Value Adjustments	-	(2,638)	(2,638)	0% U
Amounts Received for New/Upgraded Assets	1,031,200	648,526	(382,674)	(37%) U
Grants received in advance and unspent project grants				

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 24. Financial Commentary & Review

\$

Key Financial Figures of Council over the past 5 years

Financial Performance Figures	2017	2016	2015	2014	2013
Inflows:					
Rates	2,150,716	2,094,411	2,050,969	1,894,640	1,750,311
Statutory Charges	40,791	36,252	34,897	33,001	40,092
User Charges	79,403	83,328	80,106	77,138	75,179
Grants, Subsidies & Contributions	1,495,840	1,584,685	1,620,397	1,729,589	1,594,883
Investment Income	97,668	95,035	95,900	113,427	132,601
Total Income from Continuing Operations	4,409,886	4,361,481	4,374,298	4,280,814	4,070,512
Amounts Received Specifically for					
New/Upg Assets	648,526	1,110,000	1,956,182	1,128,636	868,907
Sale of Replaced Assets	31,364	44,090	-	-	-
Repayments of Loans from Community Groups	5,463	5,932	-	-	-
New Loan Borrowings & Advances	-	-	750,000	-	-
Outflows:					
Employee Costs	1,665,349	1,232,343	1,526,121	1,446,585	1,338,917
Materials, Contracts & Other Expenses	2,479,601	2,211,089	1,520,454	1,604,679	1,787,657
Finance Costs	83,455	92,840	94,707	77,864	81,275
Total Expenses from Continuing Operations	5,731,550	4,776,887	4,478,110	4,397,368	4,059,810
Exp. on Renewal/Replacement of Assets	(44,944)	(376,329)	(3,830,542)	(2,318,666)	(1,561,768)
Exp. on New/Upgraded Assets	(710,224)	(1,389,914)	-	-	-
Total Loan Repayments (incl. Finance Leases)	(195,966)	(158,479)	(130,039)	(58,520)	(57,866)
Operating Surplus/(Deficit) (excl. Capital Income)	(1,321,664)	(415,406)	(103,813)	(116,554)	10,702
Financial Position Figures	2017	2016	2015	2014	2013
Current Assets	5,162,601	4,146,966	4,536,412	3,938,316	4,633,943
Current Liabilities	2,778,059	1,682,652	2,094,461	1,332,745	1,944,974
Net Current Assets	2,384,542	2,464,314	2,441,952	2,605,571	2,688,969
Cash & Investments	4,246,593	3,229,917	3,857,871	3,022,172	3,818,974
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,307,088	1,503,054	1,661,533	1,041,572	1,100,092
Total Value of I,PP&E (excl. Land & Land Imp'ments)	78,011,999	76,293,901	74,645,157	72,540,674	61,588,449
Total Accumulated Depreciation	25,146,413	19,635,998	18,458,833	18,301,984	16,159,791
Indicative Remaining Useful Life (as a % of GBV)	68%	74%	75%	75%	74%

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

The Flinders Ranges Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 25. 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

Facsimile:

Internet: www.frc.sa.gov.au

Email: council@frc.sa.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Colin Davies

PUBLIC OFFICER

Colin Davies

AUDITORS

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

Elected Members

MAYOR

Peter Slattery

COUNCILLORS

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

Other Information

ABN: 43 952 255 151

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

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
DX 29044
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

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 2017, 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 2017, 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

13 / 11 / 2017

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

Mount Gambier

233 Commercial Street West
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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 2016 to 30 June 2017 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 2016 to 30 June 2017.

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 2016 to 30 June 2017. 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

8 / 11 / 2017

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2017

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 2017, 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: 18/10/2017

The Flinders Ranges Council

General Purpose Financial Statements for the year ended 30 June 2017

Statement by Auditor

I confirm that, for the audit of the financial statements of The Flinders Ranges Council for the year ended 30 June 2017, 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 Muhlhaasler
Galpins Accountants, Auditors and Business Consultants

Dated this 13 day of November 2017.



FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL

ANNUAL REPORT 2016-2017

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

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

During the course of the 2016-2017 Financial Year, the Panel met on four (4) occasions to consider a total of five (5) applications.

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

Panel Member Attendance				
Member	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms Shanti Ditter	4	4	0	0
Mr Garry Thompson (FRC)	4	3	1	0
Mr Colin Nottle (DCMR)	2	2	0	0
Ms Vicki Morley (DCMR)	2	2	0	0
Mr Ralph Goehring (DCOC)	4	3	1	0
Mr Frank Hardbottle (DCP)	4	4	0	0

Panel Activity						
Constituent Council	App's Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	2	2	0	0	0	0
District Council of Mount Remarkable	1	1	0	0	0	0
District Council of Orroroo Carrieton	1	1	0	0	0	0
District Council of Peterborough	1	1	0	0	0	0
Totals	5	5	0	0	0	0

Stephen Rufus
Public Officer



2016/2017 ANNUAL REPORT

This report was adopted at the Annual General Meeting of the Legatus Group held on 8 September 2017.

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
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Barunga West
- 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 and 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 now 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. The Region's area spans the Barossa Valley through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprising some 27 per cent of the State's population outside of Adelaide.

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 shall consist of all the principal members of the Constituent Councils which for 2016/2017 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Paul Thomas AM
District Council of Barunga West	Mayor Cynthia Axford
District Council of Mount Remarkable	Mayor Sandra Wauchope replaced by 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 2016/17

Chairman:	Mayor Peter Matthey
Deputy Chairs:	Mayor Denis Clark Mayor Sandra Wauchope (until 18 November 2016) Mayor Allan Aughey (from 18 November 2016)
Executive Members:	Mayor Rodney Reid Mayor Ray Agnew OAM
Delegate to the LGA Board representing the Central Region of the LGA Constitution:	Mayor Denis Clark (Northern Areas) LGA Board Member Mayor Peter Matthey (Goyder) LGA Board Member Mayor Allan Aughey OAM (Clare & Gilbert Valley) LGA Deputy Board Member
Chief Executive Officer:	Mr David J. Stevenson (until 5 June 2017) Mr Simon Millcock (from 5 June 2017)
Auditor:	Mr Ian G. McDonald FCA

Meetings of the Legatus Group

The following meetings of the Board of Management were held during the 2016/17 year:

- Annual General Meeting 19 August 2016
- Ordinary Meeting 19 August 2016
- Ordinary Meeting 18 November 2016
- Ordinary Meeting 17 February 2017
- Special Meeting 31 March 2017
- Ordinary Meeting 19 May 2017

Committee Meetings

There were five committees formed in 2016/2017

Committee	Members	Meeting Dates
Executive Committee	<ul style="list-style-type: none"> • Mayor Peter Matthey (Chair) • Mayor Denis Clark • Mayor Sandra Wauchope/Mayor Allan Aughey • Mayor Rodney Reid • Mayor Ray Agnew 	Nil
Audit Committee	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Chair Kathie Bowman • Mayor Colin Nottle (19 May 2017) • Dr Andrew Johnson • Mr Colin Davies 	24 February 2017
Management Group	<ul style="list-style-type: none"> • Mr Colin Byles (Northern Areas) (Chair) • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr Roy Blight (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr John Brak (Goyder) and Mr Griff Campbell (acting CEO January until June 2017) • Mr Brian Carr (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Stephen Rufus (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson (Pirie Regional) • Mr Christopher Parish (Wakefield) then Mr Jason Kuchel 	5 August 2016 14 October 2016 1 December 2016 3 February 2017 30 June 2017

	<ul style="list-style-type: none"> • Mr Andrew Cameron (Yorke Peninsula) 	
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • David Hassett (Wakefield), • Fred Linke (Barunga West), • Lee Wallis (Goyder), • Peter Porch (Northern Areas), • Kieren Chappell (Light) • Colin Davies (Flinders Ranges), • Stephen Rufus (Orroroo), • Jo-Anne Buchanan (RDA), • Steve Kaesler (Barossa) 	10 April 2017 19 April 2017
Regional Climate Change Steering Committee	<ul style="list-style-type: none"> • Kelly-Anne Saffin (RDA Yorke & Mid North) • Trevor Naismith (Natural Resources Northern Yorke) • David Stevenson • Michelle Benison (Department of Environment, Water and Natural Resources) 	7 November 2016 30 Jan 2017 6 March 2017 1 May 2017

CHAIRMAN'S REPORT

It has been my pleasure to serve as your Chairman in 2016/17 and I would like to take this opportunity to report on some of the highlights from the year. We developed and adopted a suite of major policies in education, health, national resource management, regional development, roads and infrastructure, sports and recreation. It is however important now as we move closer to the State election that our major policies reflect our regional needs.

The Roads Infrastructure Advisory Committee undertook the 2017/18 Special Local Roads program and it would appear from notice received yesterday that our application this year has been successful.

Our battle to see a quality outcome to the NRM Levy debacle remains unsatisfactorily resolved, but that wasn't from the lack of effort put in across the local government sector and in particular our region. But rather a broader misunderstanding by Minister Hunter to see that local government shouldn't be burdened with the necessity to collect a state tax which seemingly then bears little to no resemblance to the costs of delivering services on the ground by his department and NRM boards alike.

On a similar note work to reduce the red tape and improve efficiency in Crown lands has continued, albeit been met with echoes of complexity and time delays from the state government.

The region has been proactive in supporting the challenges and changing environment our regional and rural hospitals and health services find themselves in. Without these critical services, the very foundations of our towns are continuing to be threatened.

Our effort to encourage and foster closer working relationships with the RDA were slowed when the federal government announced a national review. The review is now complete and it would appear little significance will come of it. However, we remain close allies and maintain local government can be a continuing catalyst for efficient and effective delivery of economic development across the region.

The work the region has done to have rubble royalties removed has made significant progress over the year. This is a shining example of how our region has been able to garner support across the entire state through perseverance and collaboration. It is also an example of how the LGA can work closely with regions in a support role.

Our Charter was reviewed and there are still some minor amendments to make, but given this has been the most substantial change in the Charter for many years I'm pleased Councils have worked positively toward improving our governance.

The Regional Transport Plan 2030 is due for completion soon; this work will help improve the understanding and complexities of our regional road transport networks, their purpose and the users. There are ever increasing size vehicles using regional Council roads to move large volumes of agricultural products. Also, the burgeoning tourism and community connectivity needs.

The Mega Trends Forum was held earlier this year in association with the RDA and NRM, the region hosted a very successful day and the key note speaker Dr John Hewson was blunt and insightful about politics and business in South Australia and nationally.

In closing we have also appointed a new CEO, I hope Simon is settling in and wish him well.

Mayor Peter Matthey

Chairman Legatus Group

Achievements for 2016/17

Within the focus areas for Legatus Group:

1. BOARD OPERATION AND GOVERNANCE

Operation of Legatus Group is in accordance with legislative requirements and the boards policies and procedures.

- Committees that operated under the Charter all conducted their operations within their terms of reference.
- Employment of Procurement Officer July 2016 and offer for extension May 2017.
- Managed the contract for Climate Change Project Officer.
- Appointment of a new Chief Executive Officer in June 2017.
- Adoption of the 2016/17 Business Plan and Budget.
- Acquittals to the Local Government on all funding and Research and Development Scheme were completed.
- Policy Development and Implementation
- Ten Year Strategic Plan progressing

- Brand & Identity Plan – name change / logo and website developed
- Charter Review completed
- Policies and procedures developed and accepted including employee policies
- Relocation of Office

2. LOCAL GOVERNMENT LEADERSHIP AND SUSTAINABILITY

Legatus Group are well regarded by its members and stakeholders as a valid and relevant organisation that assists with regional collaboration and is supportive of actions on key identified regional priorities.

Support members to engage collaboratively to improve service delivery, resourcing and financial capacity including through identified procurement activities.

Increased awareness by key stakeholders and political decision makers of key regional issues.

These progressed in 2016/2017 and increased development of the Legatus Group occurred through several partnerships and one of major importance is that with the Local Government Association of South Australia. This included major funding through the Outreach Program and the Regional Capacity building allocations. These programs have allowed the Legatus Group to become a stronger and more relevant to our Constituent Councils. This has occurred in the form of cost and organisational efficiencies and with enhanced alignment across our region in the form of sub regional and whole of region initiatives. The year has engendered an alignment of LGA strategies and actions with the Legatus Group region and this is relevant to both organisations as they are critical objective to both.

This alignment has allowed Legatus Group to progress with appropriate policies and procedures and establish procurement and a new website. During the year, there was continued progress against a number of priority activities.

The transition from Central Local Government Region into the Legatus Group was completed which enabled the development of a new Charter and the creation of a contemporary brand and image. A significant amount of work was completed in conjunction with the selected Brand Agency to define the work brief and produce a design and style guide for use in all communications.

Once this branding exercise was completed, we were able to immediately use the style guide as the basis to engage with our I.T. provider and jointly develop the Legatus website. The Website architecture, layout, content and level of interactivity was completed with the formal launch occurring in Q4 2016

The offering included submitted images from each of our Member Councils as well as a 'Members Only' section that provides access to a range of procurement documentation for use in normal day to day Council procurement activities.

Other partnerships which have been of importance during 2016/2017 has been with the various Regional Development Australia (RDA) and Natural Resource Management (NRM) Organisations that cover the Legatus Group region. Due to the complexity of these various regions a focus has seen 2016/2017 focus on working with the RDA Yorke Mid North (YMN) and Northern and Yorke NRM. Expanding into the other RDA's and NRM's needs to also be considered.

Legatus Group continued to be an active member of the South Australian Regional Organisation of Councils and has benefitted from the support of the 5-other regional Executive Officers.

3. REGIONAL & COMMUNITY SUSTAINABILITY

The long-term regional economic, environmental and social sustainability is fostered through pro-active, innovative, efficient and collaborative approaches to priority issues.

Projects

Project	Topic / Commentary / Detail
Regional Procurement (more detailed report provided)	<ul style="list-style-type: none"> • Legatus Group strategic alliance to establish a collaborative regional approach to the procurement function • MoU by member Councils to collectively acknowledge the value, benefit and objectives of the Legatus Procurement Group • Legatus website and the first Legatus Tender being called through this medium (supply of bulk diesel fuel)
Regional Climate Change	<ul style="list-style-type: none"> • Guideline to Plan Climate Change Actions tendered <ul style="list-style-type: none"> ○ Literature review and implementation plan with guidelines for individual councils tested along with development of monitoring and case studies developed. • Final draft of Coast Adaptation report submitted • Inundation mapping progressed with Yorke Peninsula Council • Draft sector agreement completed • Regular steering committee meetings held
Regional Rubble Royalty repeal	<ul style="list-style-type: none"> • Progress with Department of State Development and Cement Concrete & Aggregates Australia with positive impact and successful outcomes to be achieved with outstanding matter being the decision on distances and possible repeal • Data collection from across State collated and distributed
Regional Alliance RDAY&MN and NRMN&Y	<ul style="list-style-type: none"> • Legatus Group relocates to the regional agency hub as a co-tenant with both RDAY&MN and NRMN&Y • Regional Plan being progressed with all 3 organisations being partners • Sub regional leaders program progressing
Regional Crown Land Red Tape Reduction	<ul style="list-style-type: none"> • Progress made with Department of Environment, Water and Natural Resources and Crown Lands • Prioritising by region and ability to work with Crown Lands on identified strategic land to progress
Community Waste Management Scheme	<ul style="list-style-type: none"> • CWMS Management Committee confirmed funding to Legatus Group for the formation of the Central Local Government Region CWMS User Group. • Initial meeting held and proposal by Rashlee Pty Ltd for a 12-month program to developed.

State Recoveries Procedure	<ul style="list-style-type: none"> • Relevant data documented on the Clare and Gilbert Valleys Council claim through the State Recoveries Office for damages relating to the extreme weather event experienced in the region in September of 2016. • Review required and need to establish the support of the LGA to advocate the case on our behalf to the State Government.
Regional Transport Plan for Legatus	<ul style="list-style-type: none"> • HDS Australia commenced work on the 2030 Regional Transport Plan • Desk top research undertaken • Formation of Legatus Transport & Infrastructure Advisory Committee
National Disability Insurance Scheme	<ul style="list-style-type: none"> • Membership of the Yorke Mid North Hub delivering project and action plans in partnership with RDA YMN.

PROCUREMENT

Following the identification of procurement as a function of the Legatus Group, Paul Kennedy was contracted for 12 months on 25.07.2016 as the Legatus Group Procurement Officer.

The key aspect of the procurement function is to form an alliance to improve respective procurement activity and to benefit from economies of scale. This is designed to reduce the cost of services to ratepayers and ensure a coordinated approach to the regional procurement of goods and services. A procurement Memorandum of Understanding (MoU) was signed by the CEO's of all the Legatus Group in November 2016.

The Legatus Procurement Working Group was established with a nominated representative from each Council to meet, identify, discuss, review and prioritise the regional procurement activity. These meetings actively encouraged the cultivation of cross communication, sharing of information, experiences and practical examples of problems and solutions.

Some excellent knowledge has been gathered and the spirited nature of discussions has ensured their constructive value.

Following the development and implementation of the new Legatus website, a standardised suite of procurement working documents was produced and loaded for immediate on-line access by our Member Councils. This full working set of templates are both best practice and have also been legalised. The suite of documents totals some 650 pages in number and are downloadable for members who then only need to place their individual council logo on the required set.

Our thanks go to The Barossa Council for their assistance in compiling these documents.

This has provided an immediate saving in labour, whilst at the same time standardising the procurement documents in use throughout the region. The website is also accessible for registered suppliers to access tender opportunities in addition to being able to download a complete sample set of Work, Health and Safety documents and tools.

A formal Legatus Procurement Policy was developed and published in Quarter 1, 2017 that sets out in detail the standards and processes that will be adopted for the provision of services, purchasing of goods and services and the disposal of land and other assets.

The policy addresses the key elements of the conduct of the Legatus Group in these areas and the principles that will guide its decision-making- process.

Key principles include the compliance with our statutory obligations and the National Competition Policy and our participation with other spheres of government, community groups and the private sector in service delivery.

A critical component of the Policy is that full consideration is taken of the impact of service delivery on community and social issues.

The Legatus Group clearly states that a main procurement consideration is the existence of local suppliers of the goods or services and the subsequent impact on the local economy if the goods or services were purchased from outside of the region.

The Legatus Procurement Working Group is proving an ideal forum to bring together Member Council staff who have a procurement responsibility with a view to cultivating cross communication, collaboration in procurement planning and the identification of regional procurement opportunities. There have been 22 topics relevant to procurement that have been discussed.

Over the 2016/17 financial year, the procurement working group meetings have averaged seven attendees from the twelve participating Councils.

All Member Council Mayor's and CEO's signed the Procurement MoU as a clear demonstration of the support of all Councils for the procurement initiative.

It is imperative that this in principle support is translated into on the ground attendance and participation in the activities of the group.

The Local Government Association Procurement are undertaking an aggressive plan of revenue expansion and Legatus Group engaged with them to assess the potential for a closer working relationship between the two groups. With no decision made during 2016/2017.

The Diesel Fuel Tender proved to be a lengthier process than was initially intended and should be completed in early 2017/2018. It was appropriate to engage with our legal counsel to ensure that the first proposed Legatus contract was in accordance with current best industry practice.

They recommended some changes be implemented and this resulted in the addition of around three months of discussions as a proposed contract was drafted and revised several times. The tender process had reached the completion of the first assessment team meeting. It was following this initial assessment meeting that a participating Council removed themselves from the process for confidential reasons. This introduced a range of logistical and probity complexities that were required to again be overseen by our legal team.

A new specification document then needed to be drafted to reflect the reduced volume of the overall tender. This was supplied back to the market along with the draft contract document for the tenderers to review and resubmit their offering.

The initial annual saving to the region was in the vicinity of \$45K per annum and we expect this to reduce by around 25% with the lower annual volumes.

Work commenced on the 2017/18 Procurement Plan is to assemble all the capital budgets from our councils to deliver:

- A regional summary spreadsheet that details the budgeted expenditure by Councils which will be broken down by category.
- A recommended strategic procurement plan by category for consideration.
- The Legatus Procurement Working Group will then meet, review and prioritise the regional procurement activity.

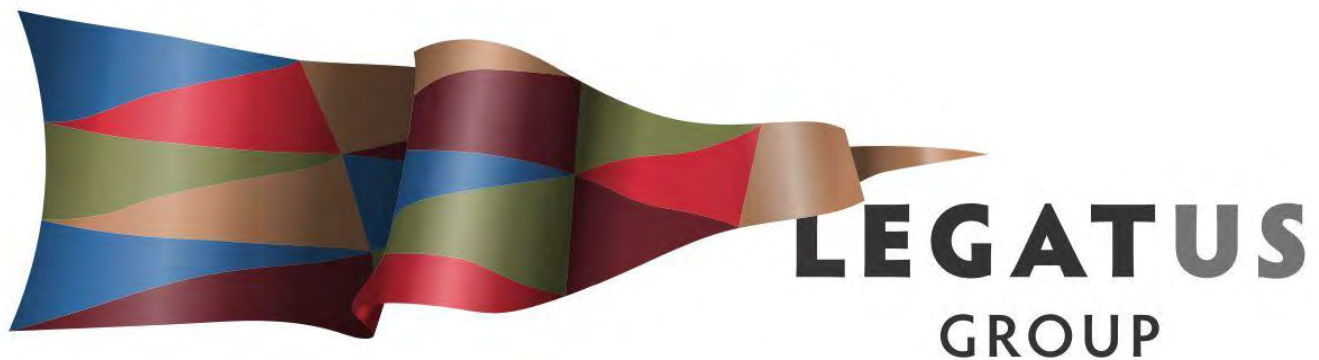
- Participating members will confirm their individual category data sets and commit to joining in to the joint procurement process.
- Legatus Group will then undertake the preparation of specifications and tender documents in accordance with the prioritised procurement plan.
- The market engagement will be in accordance with the Legatus Procurement Policy.
- Tenders and quotations will be received, collated and prepared for assessment by the participating members.
- Recommendations are then submitted to the Legatus Board for ratification and contracts and purchase orders will be awarded subject to the direction of the board.
- Legatus Group will then undertake the contract management and post procurement review of each decision to ensure that all efficiencies and cost savings are captured and reported on.
- The early indication is that around \$40mill of combined Member Council procurement activity can be processed through this collaborative approach.

This joint initiative will be a clear demonstration of the value in maintaining a centralised procurement function that will result in:

- Reduce the regional duplication of procurement activity
- Produce improved cost savings and return greater operational efficiencies
- Improved probity and risk
- The stimulation of regional collaboration and economic development

**CENTRAL LOCAL GOVERNMENT REGION OF
SOUTH AUSTRALIA**

trading as



ANNUAL FINANCIAL STATEMENTS
for the financial year

1 July 2016 – 30 June 2017

As adopted at the Annual General Meeting held 8 September 2017

LEGATUS GROUP

General Purpose Financial Reports

for the year ended 30 June 2017

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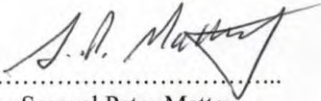
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017

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 2017 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:

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

		2017	2016
	Notes	\$	\$
INCOME			
Grants, subsidies and contributions	2	348,889	316,166
Investment income	2	12,205	13,869
Reimbursements	2	25,105	-
Other income	2	194,538	154,140
Total Income		<u>580,737</u>	<u>484,175</u>
EXPENSES			
Employee costs	3	261,600	92,626
Materials, contracts & other expenses	3	279,405	264,741
Depreciation, amortisation & impairment	3	9,487	3,243
Finance costs	3	24	-
Total Expenses		<u>550,516</u>	<u>360,610</u>
OPERATING SURPLUS / (DEFICIT)		<u>30,221</u>	<u>123,565</u>
NET SURPLUS / (DEFICIT)		<u>30,221</u>	<u>123,565</u>
transferred to Equity Statement			
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>30,221</u>	<u>123,565</u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

		2017	2016
	Note	\$	\$
ASSETS	s		
Current Assets			
Cash and cash equivalents	5	719,859	556,783
Trade & other receivables	5	25,404	124,056
Total Current Assets		<u>745,263</u>	<u>680,839</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	23,799	30,110
Total Non-current Assets		<u>23,799</u>	<u>30,110</u>
Total Assets		<u>769,062</u>	<u>710,949</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	47,649	18,928
Provisions	8	5,214	6,060
Total Current Liabilities		<u>52,863</u>	<u>24,988</u>
Non-current Liabilities			
Provisions	8	172	155
Total Non-current Liabilities		<u>172</u>	<u>155</u>
Total Liabilities		<u>53,035</u>	<u>25,143</u>
NET ASSETS		<u>716,027</u>	<u>685,806</u>
EQUITY			
Accumulated Surplus		121,695	113,143
Other Reserves	9	594,332	572,663
TOTAL EQUITY		<u>716,027</u>	<u>685,806</u>

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 2017

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2017	Note	\$	\$	\$
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		<u>121,695</u>	<u>594,332</u>	<u>716,027</u>
2016				
Balance at end of previous reporting period		68,145	494,096	562,241
Net Surplus / (Deficit) for Year		123,565		123,565
Other Comprehensive Income				
Transfers between reserves		(78,567)	78,567	-
Balance at end of period		<u>113,143</u>	<u>572,663</u>	<u>685,806</u>

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		12,205	14,132
Grants utilised for operating purposes		490,490	224,444
Reimbursements		15,400	-
Other revenues		188,416	217,562
<u>Payments</u>			
Employee costs		(266,402)	(81,342)
Materials, contracts & other expenses		(273,833)	(326,485)
Finance payments		(24)	-
Net Cash provided by (or used in) Operating Activities		166,252	48,311
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(33,353)
Expenditure on new/upgraded assets		(3,176)	-
Net Cash provided by (or used in) Investing Activities		(3,176)	(33,353)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Net Increase (Decrease) in cash held		163,076	14,958
Cash & cash equivalents at beginning of period	11	556,783	541,825
Cash & cash equivalents at end of period	11	719,859	556,783

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 2017

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 this Note.

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The 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	\$1,000
Motor Vehicles, Other Plant & Equipment	\$1,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the 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 two employees as at the 30th June 2017, a Chief Executive Officer and a Regional Procurement Officer. Liabilities for employees’ entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.10% (2016, 2.08%)
Weighted average settlement period	10 years (2016, 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 funds for the Chief Executive Officer and Regional Procurement 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.

Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

The Group is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Group's intention to adopt this Standard early.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 2 - INCOME

	2017 \$	2016 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	12,117	13,795
Banks & other	88	74
	<u>12,205</u>	<u>13,869</u>
REIMBURSEMENTS		
Legal, Climate Change, USGRPG	25,105	-
	<u>25,105</u>	<u>-</u>
OTHER INCOME		
Council Contributions	159,545	154,140
Sundry	34,993	-
	<u>194,538</u>	<u>154,140</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	348,889	316,166
	<u>348,889</u>	<u>316,166</u>
<i>Sources of grants</i>		
State government	348,889	231,166
Other	-	85,000
	<u>348,889</u>	<u>316,166</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>	221,570	143,003
<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)	-
P015-Local Government Reform	-	(48,952)
P026-Strategic Procurement	(31,100)	-
P022-Roads & Transport	-	(127)
P023-Outreach Collaboration Project	-	(52,923)
P027-LG Reform - Incentive Risk	-	(5,471)
Subtotal	<u>(42,142)</u>	<u>(107,473)</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 Phase 2	33,235	50,000
P026-Strategic Procurement	-	31,100
P028-Regional Capacity Building	98,086	104,940
Subtotal	<u>186,578</u>	<u>186,040</u>
<i>Unexpended at the close of this reporting period</i>	<u>366,006</u>	<u>221,570</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>144,436</u>	<u>78,567</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES

	2017 \$	2016 \$
EMPLOYEE COSTS		
Salaries and Wages	209,804	75,887
Employee leave expense	15,991	6,217
Superannuation	20,785	7,209
Insurance	2,550	872
CEO relocation	3,761	-
Professional Development	1,007	-
FBT	7,702	2,441
Total Operating Employee Costs	261,600	92,626
 Total Number of Employees	 2	 1
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	1,650	1,683
Subtotal - Prescribed Expenses	1,650	1,683
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	202,888	220,098
Legal Expenses	8,202	8,639
Unleaded Fuel	4,934	3,410
Members Allowances & Support	4,264	6,024
Meetings & Conferences	4,852	3,175
Insurance	7,624	7,585
Rental - Premises	10,581	3,182
Advertising	1,050	2,093
Accommodation	3,959	915
Airfares	2,157	1,361
Travel : Reimbursement	7,036	15
Catering & Meals	4,768	1,098
Telephone & Internet	4,434	455
Postages/Stationery/IT	5,586	4,408
Sundry	5,420	600
Subtotal - Other Materials, Contracts & Expenses	277,755	263,058
	279,405	264,741
 DEPRECIATION		
Motor Vehicle	6,311	3,243
Computers & Software	3,176	-
	9,487	3,243
 FINANCE COSTS		
Interest on bank account	24	-
	24	-

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

2017	2016
\$	\$

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

Nil	Nil
-----	-----

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	77,915	21,879
Deposits at Call	641,944	534,904
	<u>719,859</u>	<u>556,783</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	2,687	2,610
Debtors - general	12,139	-
Other levels of Government	-	115,434
GST Recoupment	10,578	4,421
Prepayments	-	1,591
	<u>25,404</u>	<u>124,056</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 2017

Fair Value Level	2016 \$				2017 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Motor Vehicle	-	33,353	(3,243)	30,110	-	33,353	(9,554)	23,799
Computers & Software	-	772	(772)	-	-	3,948	(3,948)	-
TOTAL PLANT & EQUIPMENT	-	34,125	(4,015)	30,110	-	37,301	(13,502)	23,799
<i>Comparatives</i>	-	772	(772)	-	-	34,125	(4,015)	30,110

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR								2017
	\$	\$								\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
New/Up grade		Renewals	In				Out			
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT										
Motor Vehicle	30,110	-	-	-	(6,311)	-	-	-	-	23,799
Computers & Software	-	3,176	-	-	(3,176)	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	30,110	3,176	-	-	(9,487)	-	-	-	-	23,799
Comparatives	-	33,353	-	-	(3,243)	-	-	-	-	30,110

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 8 - LIABILITIES

	2017		2016	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	23,399		317	
Accrued expenses - employee entitlements	1,096	-	5,069	-
GST & PAYG	23,154	-	13,542	-
	<u>47,649</u>	<u>-</u>	<u>18,928</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)	5,214	172	6,060	155
	<u>5,214</u>	<u>172</u>	<u>6,060</u>	<u>155</u>

Note 9 - RESERVES

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	17,341	-	(2,000)	15,341
2 P003-Waste Management	16,273	-	-	16,273
P009-Climate Change	4,761	-	(4,761)	-
P015-Local Government Reform	111,048	-	(111,048)	-
3 P022-Roads & Transport	26,578	11,314	-	37,892
4 P024-Climate Change Co-Ordinator 2015-17	19,529	43,943	-	63,472
5 P025-LG Outreach Phase 2	50,000	33,235	-	83,235
P026-Strategic Procurement	31,100	-	(31,100)	-
6 P027-LG Reform - Incentive Risk	160,000	-	(16,000)	144,000
7 P028-Regional Capacity Building	104,940	98,086	-	203,026
TOTAL OTHER RESERVES	<u>572,663</u>	<u>186,578</u>	<u>(164,909)</u>	<u>594,332</u>
	<u>494,096</u>	<u>346,040</u>	<u>(267,473)</u>	<u>572,663</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**
CLGR 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 2017

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$	2016 \$
Total cash & equivalent assets	5	719,859	556,783
Balances per Cash Flow Statement		719,859	556,783

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

Net Surplus (Deficit)	30,221	123,565
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	9,487	3,243
Net increase (decrease) in unpaid employee benefits	(4,802)	11,284
	34,906	138,092
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	98,652	(59,763)
Net increase (decrease) in trade & other payables	32,694	(30,018)
Net Cash provided by (or used in) operations	166,252	48,311

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

Corporate Credit Cards	5,000	2,000
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Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

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

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2017 Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Trade & Other Debtors	Accounting Policy: Carried at nominal value. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals and do not bear interest. 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 Group. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Liquidity Analysis

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	22,717	-	-	22,717	22,717
Total	742,576	-	-	742,576	742,576
Financial Liabilities					
Payables	46,553	-	-	46,553	46,553
Total	46,553	-	-	46,553	46,553

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	556,783	-	-	556,783	556,783
Receivables	121,446	-	-	121,446	121,446
Total	678,229	-	-	678,229	678,229
Financial Liabilities					
Payables	13,859	-	-	13,859	13,859
Total	13,859	-	-	13,859	13,859

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 2017

Note 15 - FINANCIAL INDICATORS

	2017	2016	2015
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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>	5.0%	26.0%	(60.0%)
Total Operating Revenue			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-119%	-135%	-113%
Total Operating Revenue			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	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 2017

Note 16 - 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

	2017 \$	2016 \$
Income	580,737	484,175
<i>less</i> Expenses	<u>550,516</u>	<u>360,610</u>
Operating Surplus / (Deficit)	30,221	123,565
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	33,353
Depreciation, Amortisation and Impairment	<u>(9,487)</u>	<u>(3,243)</u>
	(9,487)	30,110
<i>less</i> Net Outlays on New and Upgraded Assets	<u>3,176</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>36,532</u>	<u>93,455</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 23 - 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:

	2017 \$
Salaries, allowances & other short term benefits	
Post-employment benefits	
Long term benefits	TBA
Termination benefits	
TOTAL	

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

	2017 \$
Contributions for fringe benefits tax purposes	Nil
TOTAL	

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$x,xxx during the year.

LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

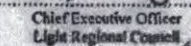
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Legatus group for the year ended 30 June 2017, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the Local Government Act 1990 and the Local Government (Financial Management) Regulations 2011 made under that Act.

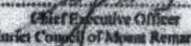
This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.


 Chief Executive Officer
 The Barrow Council


 Chief Executive Officer
 Clare and Gilbert Valleys Council

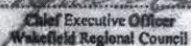

 Chief Executive Officer
 The Borders Region Council



 Chief Executive Officer
 Light Regional Council


 Chief Executive Officer
 District Council of Mount Remarkable


 Chief Executive Officer
 Port Phillip Council

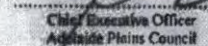

 Chief Executive Officer
 Yorke Peninsula Council



 Chief Executive Officer
 Wakefield Regional Council

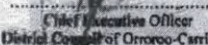

 Chief Executive Officer
 District Council of Barunga West

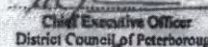

 Chief Executive Officer
 District Council of the Copper Coast

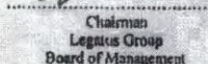

 Chief Executive Officer
 Regional Council of Gwyder


 Chief Executive Officer
 Adelaide Plains Council


 Chief Executive Officer
 Northern Areas Council


 Chief Executive Officer
 District Council of Ororo-Carleton


 Chief Executive Officer
 District Council of Peterborough


 Chairman
 Legatus Group
 Board of Management

Date:

Ian G McDonald FCA



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 2017.

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 2017 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 4th day of September 2017

www.creativeauditing.com.au

PO Box 75, Henley Beach SA 5022
ABN 13 550 494 869

Ian 0419 620 906
ianmcdonald@creativeauditing.org

Nancy 0408 832 848
nancytran@creativeauditing.org

Ian G McDonald FCA



4 September 2017

Mayor Peter Matthey
Chairperson
Legatus Group
PO Box 168
Crystal Brook SA 5523

Dear Mayor Matthey,

Please be advised that we have now completed the external financial audit of the Legatus Group for the financial year ended 30 June 2017.

The audit opinion has been signed without qualification.

1. Report on Matters Arising from the Audit

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

We are satisfied with the action taken in relation to our audit communication during the year.

The Auditor's Independence Declaration has been provided to the Chief Executive Officer.

2. Adequacy of the Internal Control Environment

In our opinion the Subsidiary's internal control environment is adequate. A review of the internal control framework documentation should be undertaken annually.

Please do not hesitate to contact us if further information is required.

Yours sincerely,

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

Ian McDonald

CC: Simon Millcock

Ian 0419 620 906
ianmcdonald@creativeauditing.org

www.creativeauditing.com.au

PO Box 75, Henley Beach SA 5022
ABN 13 550 494 869

Nancy 0408 832 848
nancytran@creativeauditing.org

Ian G McDonald FCA



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 2017.

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 2017 and the results of its operations for the period then ended, and;
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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.

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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.

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

Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 4th day of September 2017

www.creativeauditing.com.au

Ian 0419 620 906
ianmcdonald@creativeauditing.org

PO Box 75, Henley Beach SA 5022
ABN 13 550 494 869

Nancy 0408 832 848
nancytran@creativeauditing.org