

Annual Report 2013/14

city of
Victor Harbor



Acknowledge Country

We acknowledge the Ngarrindjeri and Ramindjeri people as the traditional custodians of our beautiful lands and surrounding waters.



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Attachments:

Southern and Hills Local Government Association Annual Report
Fleurieu Regional Waste Authority Annual Report

Our Vision

A thriving and sustainable regional coastal centre offering a wide range of attractive, high amenity lifestyle choices to our local community, the wider Fleurieu region, our visitors and future generations.

Quick Facts

Location – 80km south of Adelaide

Population – approximately 14,440

Rateable properties – 10,400 (as at 30 June 2014)

Operating Income - \$22,426,000

Operating Expenditure - \$21,551,000

Area – 34,634 Hectares

City of Victor Harbor

City Manager's Message



This annual report not only signifies the end of another financial year, but it also marks the last full reporting period for the current Council which faces Local Government elections in November 2014.

The Council has demonstrated a commitment to ensuring our council area is well placed to deal with our growing population by balancing the delivery of essential and community services with the introduction of new programs and initiatives, while keeping rate increases as low as possible.

The 2013/14 financial year has brought with it a number of significant milestones and achievements with the securing of \$7.5 million from the Federal Government and \$500,000 from the State Government for the Fleurieu Regional Aquatic Centre turning our communities' dream of an indoor public swimming pool on the Southern Fleurieu into an achievable reality.

The aquatic centre, a joint venture with the Alexandrina Council, progressed significantly during the year with an architectural firm appointed to finalise the design. The project is on track for construction to commence in July 2015 and it is anticipated the facility will be operational by March 2017.

Throughout the year we have continued to build and enhance our council area with the completion of a number of major infrastructure projects including Stage 1 of the Bay Road reconstruction, upgrade of Soldiers Memorial Reserve, completion of the Torrens Street drainage upgrade, Jagger Dam reconstruction and various coastal protection works. The adoption of the Mainstreet Precinct Master Plan in May 2014 presents our town centre with an exciting opportunity for future development. The plan will guide the revitalisation of the Precinct, enhancing and building on what the area already has to offer. Work is currently being undertaken on the design documentation for stages 1 and 2 of this upgrade and this will be used to leverage grant funding to contribute to the cost of this project.

During the year, Council had the opportunity to showcase our great city to a national, and even international, audience. Victor Harbor was elevated to the global stage as it hosted the Stage 4 finish of the acclaimed international cycling event, the Tour Down Under. The event was held in conjunction with the Bupa Challenge Tour which saw more than 7000 cycling enthusiasts converge on Victor Harbor. Additionally, the 2014 Keep Australia Beautiful Awards saw delegates from all around Australia come to Victor Harbor to see why we were awarded Australia's tidiest town in 2013.

The accomplishments mentioned above are just a brief snapshot of what was achieved by the City of Victor Harbor during 2013/14. Further achievements and highlights of the year are outlined throughout this report.

I would like to take this opportunity to thank all of those who contributed to Council's achievements from Elected Members and staff to the hundreds of volunteers who give up a countless number of hours to assist with council services and programs year after year. It is also important to recognise all those who contributed to Council's public consultations throughout the year, utilising the opportunity to influence local decision making. During 2013/14, the City of Victor Harbor conducted 12 consultations which resulted in hundreds of responses from members of the community and other key stakeholders.

This highlights our focus on working with the community to ensure our city remains a great place to live, work and play. Victor Harbor is vibrant and growing, and there are many things to look forward to in the immediate future and beyond.

Graeme Maxwell

Strategic Management

Vision and Objectives

Our vision describes what we want to be like in the future:

A thriving and sustainable regional coastal centre offering a wide range of attractive, high amenity, lifestyle choices to our local community, the wider Fleurieu region, our visitors and future generations.

The vision acknowledges the needs of current and future residents and visitors, and recognises Victor Harbor's role as the regional retail, commercial, educational and service centre of the Southern Fleurieu.

To achieve this vision, Council will focus on the following key objectives:

1. A strong economy and supportive business environment.
2. The sustainable provision of physical infrastructure and community services.
3. Environment and lifestyle protected against the pressures of projected population growth.
4. Leadership, service delivery and organisational management that underpins our strategic directions.

Strategic Planning

Council's strategic planning framework helps us to plan for the future and ensure the area is adequately prepared for future population increases.

Council has a series of interlinked plans in place to ensure that our activities are focussed on achieving our vision.

The plans incorporate a mixture of long, medium and short term plans that are underpinned by Council's vision and objectives.

Diagram 1: Council's Strategic Planning Framework



Measures of success

Council uses a number of methods to measure our performance against our objectives each financial year.

Key Planned Activities

Key Planned Activities (KPA) outline what Council will focus on during the financial year to contribute towards achieving our vision and objectives.

The KPA are generally initiatives that are reasonably defined and measureable, and include key tasks, significant activities or special projects to be undertaken in a 12 month period. Council's performance target is to complete at least 90% of the KPA each financial year.

KPA are not listed under every strategy in every year and it is not intended that every activity of Council is included.

In the 2013/14 financial year, Council identified 137 KPA. At 30 June 2014, 98 (or 73%) of these activities are complete. A further 20 KPA are substantially complete (more than 80%), bringing the total number of complete or substantially complete tasks to 118, or 88%.

Of the incomplete activities, eight (8) have been identified as not being on track due to matters outside of Council's control, unexpected external factors, failure of external partners to achieve an agreed outcome and failure of a contractor to meet an agreed outcome.

A detailed report showing the status, percentage complete and reasons for not being on track for the 2013/14 KPA is included as **Appendix 1** in this Annual Report.

In 2014/15, 135 Key Planned Activities have been identified to contribute towards achieving Council's long term objectives. These activities are outlined in Council's 2014/15 Annual Business Plan.

Financial Management

The City of Victor Harbor's Annual Business Plan shows how Council will allocate its budget and what services, programs and projects will be developed in the financial year to contribute to achieving the community's long term objectives.

Financial indicators provide one method of identifying emerging trends and comparative information in terms of the Council's financial sustainability. They are an important internal reference for long term financial planning and performance measures.

The following table shows target ratios set by the Council for medium and long term periods, as well as the Council's performance against these ratios over the past three years.

Ratio	2013/14	2012/13	2011/12	Medium Term Target (3-5 years)	Long Term Target (5-10 years)
Operating Surplus	5.1%	0.7%	0.2%	Breakeven 0.0%	Between 5.0% - 15%
Net Financial Liabilities	55.6%	67.4%	72.0%	Less than 75%	Less than 50%
Asset Sustainability	73.4%	51.4%	46.0%	80% Average (3 years)	Over 80% Average

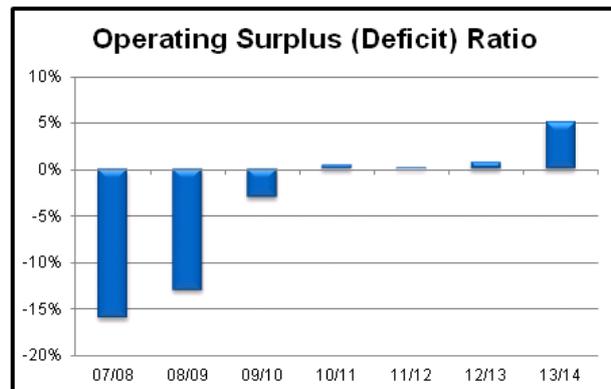
Operating Surplus Ratio

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, excluding the NRM Levy.

A positive ratio indicates that all operating expenses are being fully funded by operating revenue and that assets are being replaced at their rate of consumption.

A surplus ratio of 5.1% was achieved in 2013/14.

The graph (right) shows the movement in the ratio over the last seven years.

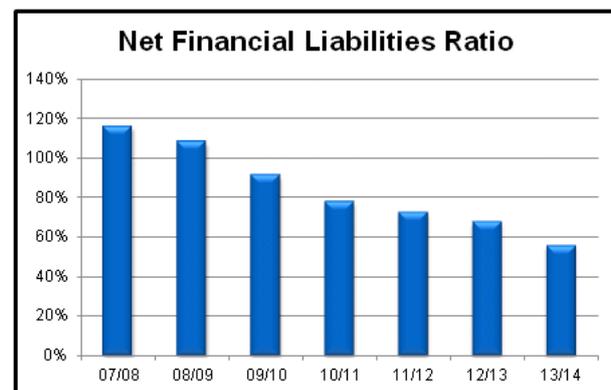


Net Financial Liabilities Ratio

This ratio expresses total liabilities less financial assets as a percentage of operating revenue. The ratio indicates the level of borrowing compared to operating revenue.

A ratio of 55.6% was achieved in 2013/14 continuing the reduction from previous years when significant amounts were borrowed for major capital projects such as the Civic Centre, Ring Road and Causeway Plaza redevelopment.

The graph (right) shows the movement in the ratio over the last seven years.



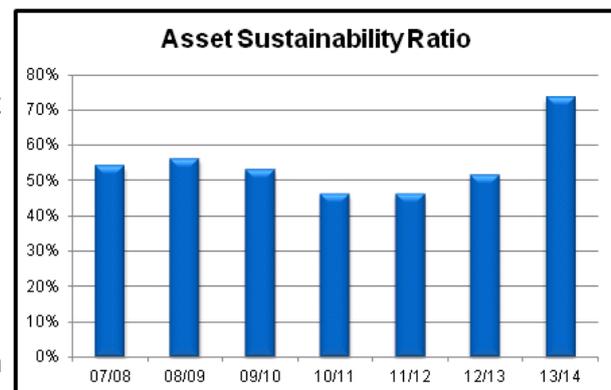
Asset Sustainability Ratio

In the 2013/14 financial year, required expenditure in Council's Asset Management Plans was used as the comparison figure rather than depreciation. A low ratio may indicate a focus on new capital projects rather than replacement of asset or uncompleted replacement works as at the end of the reporting period.

Using Asset Management Plans rather than depreciation allows for troughs and peaks normally associated with ongoing maintenance and replacement of assets.

Council achieved a ratio 73.4% in 2013/14, continuing the improvement over the past few years.

The graph (right) shows the movement in the ratio over the last seven years.



Service Delivery

Council reports on the levels of services it provides to the community, including comparisons with levels of service in previous years. Measureable levels of service can include things such as library membership, total number of visitors to the Visitor Information Centre, or number of development approvals.

The 'highlights and achievements' sections that follow identify some of the services and 2013/14 highlights for each of Council's strategic objectives.

In addition to the direct service delivery outlined in this report, Council delivers a number of services through partnerships and memberships of other organisations including:

- Southern and Hills Local Government Association (**Annual Report 1 attached**)
- Fleurieu Regional Waste Authority (**Annual Report 2 attached**)
- Local Government Association of South Australia
- Adelaide and Mount Lofty Ranges Natural Resources Management (NRM) Board
- SA Murray Darling Basin Natural Resources Management Board
- Dog and Cat Management Board

Strategic Indicators

A series of strategic indicators have been identified which reflect how Council is performing against its objectives. These indicators show how effective Council has been in making a difference in order to achieve its vision. It is not intended that the indicators reflect a complete picture of every aspect of every objective. Rather, they reflect a trend towards a desired outcome and a desired direction.

Targets were set against 29 of the 33 listed indicators. However data was not available for 16 of these indicators due to the Local Government Association of SA no longer undertaking the Local Government Comparative Performance Measurement (CPM) Project. The Local Government CPM data is normally obtained through an independent annual survey and provides information on community perceptions of Council's performance. As a result Council will develop and trial a community satisfaction survey in 2014/15 to support non financial reporting against Council objectives and strategies. A number of the current indicators, measures and trends will be modified or developed as a part of the trial. Data was also not available in 2013/14 for Workforce Participation and the Good Governance Assessment Audit.

A table showing performance against 2013/14 targets is included as **Appendix 2**. Council met or exceeded nine of the 11 targets for which data was available in 2013/14.

Targets not met were Percentage of Population Unemployed, and Asset Sustainability Ratio. The Asset Sustainability Ratio reduced throughout the year, consistent with trends in previous years. The amount of uncompleted capital replacement projects reduced significantly as at 30 June 2014, however as the ratio is calculated using cash expended as at 30 June, the timing of creditor invoices can have a significant impact on the Asset Sustainability Ratio. From 1 July 2014, Council will be using Asset Management Plans as the basis for comparison rather than depreciation.

The targets for the coming financial year are included in Council's 2014/15 Annual Business Plan.

Objective 1: A strong economy and supportive business environment

Desired Outcomes:

- A supportive environment for small business
- An increase in the proportion of working people in the population
- A range of appropriate housing types to meet current and future needs
- Strong transport and communication networks, locally, interstate and overseas
- Learning and training opportunities that focus on local needs



2013/14 Highlights and Achievements

Mainstreet Precinct Master Plan

The Victor Harbor Mainstreet Precinct Master Plan was adopted as a guiding document for the transformation of the Precinct in May 2014. Prior to adoption, the Master Plan underwent a successful community consultation phase which included a networking event with around 70 representatives from Mainstreet businesses in attendance, a public exhibition attended by more than 150 people and almost 170 formal submissions from the public and other stakeholders.

While the majority of the feedback was supportive of the plan, there were a few common issues raised which will be addressed during the design and documentation phase of each stage.



Mainstreet Precinct Façade Grant Scheme

Council's Mainstreet Precinct Façade Grant Scheme provides assistance to owners and traders to help upgrade and maintain the Mainstreet Precinct. Grants were provided to the following businesses in 2013/14:

- G & J Pictures - 60 Ocean Street - \$2,893 for painting of facade
- All Sweets and Treats – 28 Ocean Street - \$722.50 for painting of facade.

Mainstreet Precinct Action Plan

Activities contributing to the Mainstreet Precinct Action Plan continued throughout 2013/14 with the success of events continuing to evolve. Ocean Street was in full swing during the festive season with decorations lining the street, and the addition of a Santa's cave a hit with the children. More than 250 children plus their parents stepped out to take part in the second Mainstreet Precinct Easter Hunt. New signage also brought a burst of colour to the southern end of Ocean Street with more signage planned for the Northern end. The Street-chat newsletter and recently introduced traders networking events also proved to be a great way to connect Mainstreet businesses.



Whaletime Playtime Festival

More than 2,200 people walked through the gates of the 2014 Whaletime Playtime Festival on Sunday, 1 June. The fun, family friendly event was the perfect way to celebrate the launch of the whale season and included performances from the Tai Kin Jeri Dancers, Amazing Drumming Monkeys, Ronald McDonald and the Hamburgular, and popular children's musician Daniel Larcombe.

People's Choice Credit Union New Year's Eve Celebrations

The People's Choice Credit Union New Year's Eve Celebration continues to grow each year with more visitors making it down to Victor Harbor to enjoy the festivities along with the thousands of locals who loyally attend the free community event. The 2013/14 celebrations included a stellar line up of entertainment with a focus on local talent and the introduction of an earlier fireworks display to cater for families with young children.

Horse Drawn Tram

The Horse Drawn Tram continues to be one of Victor Harbor's most iconic tourist attractions with more than 104,000 people transported across the Causeway in 2013/14. One of the tram's horses, Jay Jay, completed his training and is now pulling the tram regularly. The Horse Drawn Tram team put out a call for the community's help to name one of their new horses which saw nearly 50 entries. The winning name of "Finniss" was submitted by Jay of Middleton.



Victor Harbor Visitor Information Centre

More than 52,000 visitors went through the City of Victor Harbor's Visitor Information Centre (VIC) during 2013/14. While the tourism website, holidayatvictorharbor.com.au, generated more than 146,500 hits. The booking office located within the VIC continues to assist visitors with bookings for attractions and accommodation both within the City of Victor Harbor and our neighbouring regions.

Tourism Marketing Campaign

Council's annual interstate marketing campaign promoting Victor Harbor as a premier tourist destination commenced on Sunday, 18 May. The campaign, which ran until Saturday 21 June, used both print and television to encourage people to consider Victor Harbor as the ideal off-peak holiday destination. Readers of regional papers in Horsham, Warrnambool, Ballarat and Bendigo had the chance to win a two night holiday to Victor Harbor which included access to a range of key attractions and return ferry travel to Kangaroo Island. The campaign was supported by 16 local businesses, as well as Fleurieu Peninsula Tourism, Melbourne to Adelaide Touring Route and Sealink.

Tour Down Under and BUPA Challenge

The City of Victor Harbor not only hosted a Stage finish in 2014 Tour Down Under but also hosted the Bupa Challenge Tour which saw more than 7,000 cyclists ride into Victor Harbor.



Objective 2: The sustainable provision of physical infrastructure and community services

Desired Outcomes:

- Effective management of urban growth
- Sustainable use of potable water and energy
- Sustainable management of hard waste, wastewater and storm water
- Efficient and timely provision of health and community services
- Built environment and open spaces that lead to healthier outcomes and people friendly places

2013/14 Highlights and Achievements

Commercial Purchase of Renewable Energy Program

The Commercial Purchase of Renewable Energy Program (CPREP2), launched in October 2013, builds on the success of Council's residential program which saw over 5000 households install solar panels. The program provides local commercial, business and farming operators with access to affordable solar energy packages to help reduce energy costs and increase profitability. During the course of 2013/14, 12 groups took advantage of the solar packages offered by Solar Depot, Council's preferred supplier. The renewable energy program is supported by the neighbouring councils of Alexandrina and Yankalilla.

Community Grants Program

The City of Victor Harbor Community Grants Program is funded to assist not for profit community groups and organisations in the planning, coordination and provision of community services to improve the quality of life, independence and well being of people within the Victor Harbor community. In 2013/14, 11 applications were funded for a total of \$4,973.

Recreation and Sport Small Grants Program

The City of Victor Harbor provides grants to Recreation and Sporting Groups to undertake projects aimed at improving the recreation experience and the sustainability of the group. The Grants Program also provides support for individuals representing Victor Harbor or the state at National and International events. The 2013/14 Recreation and Sport Small Grants Program saw 21 Groups and 10 individuals share in \$11,700.



Fleurieu Families

The team at Fleurieu Families supported families by providing programs, groups and events that connect people to their communities, provide them with information and knowledge and link them to the services that they require. During 2013/14 Fleurieu Families facilitated 159 group sessions (these included play groups, on going support groups, groups for parents of children with disabilities, parent education sessions and staff training sessions). Just over 670 people attended these sessions. In addition there were eight major events held over the past year that Fleurieu Families was involved in (including Whaletime Playtime, International Women's Day, Life is Brighter in the Park Events and NAIDOC Celebrations). More than 5,000 people attended these events. Fleurieu Families also continues to provide a vibrant Home Visiting Program and works with other services in the area to share knowledge, resources and coordinate and enhance the provision of family services in the region. Children, parents and the wider community have benefited from these activities which have provided opportunities for families to interact socially, reduce their isolation, find the information they need and connect them to their communities.

Walking Trail Upgrade Program

The trails program in 2013/14 focussed on the Inman River Walking Trail with sections resurfaced, the bird hide upgraded, and interpretive signage installed.

Soldiers Memorial Reserve upgrade

The upgrade of Soldiers Memorial Reserve has included new barbecue facilities and shelters, picnic settings, permeable paving, stainless steel rubbish and recycling bins and drinking fountains. The project was run in conjunction with the upgrade of the playground including a 'nature play' area, and the upgrade of the irrigation system.



Fleurieu Regional Aquatic Centre

The Fleurieu Regional Aquatic Centre is being delivered for Southern Fleurieu communities by the City of Victor Harbor and Alexandrina councils. The 2013/14 financial year saw this important regional project progress significantly with the councils securing \$7.5 million in Federal Government funding, along with \$500,000 from the State Government. Both councils endorsed an Inter-Council Agreement which clearly sets out the terms and conditions on how the councils will work together on this project. The agreement also outlines the desired outcomes of the project, governance structures, a procurement policy, communications strategy and establishment of a Section 43 Regional Subsidiary. The councils also undertook the procurement process for architectural and design services, with an expression of interest (EOI) advertising nationally. Following the EOI the councils commenced a select tender process of short listed companies before appointing Adelaide based company, Hames Sharley, in association with dwp|suters. The design of the aquatic centre will be finalised by February 2015 with construction due to commence in July 2015. It is expected that the facility will be operational by March 2017.

John Crompton Toilet Amenities

The attractive new toilet facility at this popular beach reserve in Encounter Lakes adds to the amenity of the area and complements the area's new picnic furniture.



The Parkway

The Parkway, Victor Harbor underwent a significant transformation during 2013/14, with new panel fencing installed, a new footpath and upgraded road.

Roads and Footpaths

Council is responsible for the maintaining over 250 kilometres of sealed roads and more than 120 kilometres of unsealed roads. In 2013/14, Council undertook a re-sheeting program of approximately 14,000m² of unsealed roads and completed Stage 1 of the Bay Road reconstruction. Additionally, Council completed over 1,800m² of footpath renewal and new works.

Development Applications and Land Divisions

Council received more than 465 development applications during 2013/14 worth approximately \$44 million.

Torrens Street Drainage Upgrade

The Torrens Street drainage upgrade was completed in October 2013. The upgrades took place in response to the existing pipe network being undersized such that it could no longer cope with a one in five year rainfall event.

Old School Building Community Centre

The Old School Building Community Centre, located in Torrens Street, Victor Harbor has continued to demonstrate its value as an affordable and centrally located venue for community groups to meet. In 2013/14, 37 community groups used the building with 29 of these being regular user groups. The building was booked for 282 days for a total of 785 sessions.

Heritage Interpretation Plaques Project

The Heritage Interpretation Plaques Project shares the story and history behind a selection of State and Local heritage buildings in Victor Harbor. Thirty-two plaques have been installed so far on buildings including the Town Hall, Anchorage, Carrickalinga House, Victor Harbor Times, Old Victor Harbor Primary School, St Augustines Anglican Church and Newland Memorial Uniting Church. Content for the plaques was compiled by Pat Uppill, member of both the City of Victor Harbor Heritage Advisory Committee and the National Trust.



Local Government Stimulus Grants

Council secured \$35,000 in grant funding through the State Government's Local Government Stimulus Program to deliver two projects in our city centre.

- **Railway Terrace and Mainstreet activation signage - \$5000**

Funding is for the installation of wayfinding signage in the Railway and Mainstreet Precincts and will capitalise on the works that has been done to enhance McLaren Lane and will increase activity in this area. Local artists and contractors will have the opportunity to be involved in this project.

- **Railway Precinct Train Turntable Site - \$30,000**

The funding will allow Council to undertake the detailed design and documentation (including consultation with key stakeholders) for an upgrade of the train turntable site in the Railway Precinct. This is an opportunity to develop another quality tourism attraction that has strong links to Victor Harbor's Heritage.

The grants require a dollar for dollar commitment from the City of Victor Harbor.

Dry Areas Reviewed

Following feedback from the South Australian Police and a community engagement process, the City of Victor Harbor slightly expanded the dry area by including the Investigator car park at Harborborough for New Year's Eve. New Dry Area signage was installed at the main entrances to the on-going dry areas around the town centre to support positive community behaviour.

Council Donations

Organisation	Activity	Cash/In-kind/ Fee waiver	Amount (\$)
SA Cricket	Milo T20 Blast School Cup, Encounter Bay Oval	Waiver of fee	\$212
Believe Educate and Empower	Compensation for loss of stock due to Town Hall equipment failure	Donation	\$60
Southern Vales/Fleurieu Sports Zone	9-a-side football carnival Encounter Bay oval	Waiver of fee	\$212
Croquet Club	"Come and try Croquet" on Warland Reserve	Waiver of fee	\$235
RSL	Advertisement in "The Times", ANZAC Day road closures	Donation	\$147.27
Education Department	SAPSASA - Cross Country - 50% - Encounter Bay Oval and Kent Reserve	Waiver of fee	\$111
RSL	ANZAC Day, Soldiers Memorial Gardens	Waiver of fee	\$72
Eastern Fleurieu School	SAPSASA Football and Netball Carnival, Encounter Bay Oval and Kent Reserve	Waiver of fee	\$284
Victor Harbor Dragon Boating	"Come and try Dragon Boating", John Crompton Jr Reserve	Waiver of fee	\$108
Fleurieu Outdoor Adventure Management	Victor Harbor Fun Run series, 3 x hire Kent Reserve	Waiver of fee	\$216
Adelaide Abundant Life	Christian Gathering, 25% hire fee Town Hall	Waiver of fee	\$669
Granite Community Band	Christmas concert, Warland Reserve	Waiver of fee	\$235
Sporting Car Club	Climb to the eagle, Esplanade Car Park	Waiver of fee	\$500
Reception Discovery Kids - Encounter Lutheran School	To assist homeless people, two tickets for Horse Drawn Tram	Donation	\$16
Reynella East College	Combined schools event, Encounter Bay oval	Waiver of fee	\$212
Victor Harbor Ministers Group	Church together celebration, Warland Reserve	Waiver of fee	\$235
Various Organisations	Badge days and busking permits x 29	Waiver of fee	\$1180
		Total	\$4704.27

Jagger Dam

Works were completed on Jagger Dam, Encounter Bay to improve the integrity and functionality of the stormwater collection basin. Works commenced in early December 2013 and were complete in February 2014.

Caring Neighbourhood Program

In 2013/14 the Caring Neighbourhood Program provided assistance to more than 190 people in the community. Sixty volunteers provided over 15,000 hours of support to connect these people with social opportunities such as lunch groups, exercise classes, movie outings, arts and craft groups and bus trips, or meeting regularly with someone for a coffee and a chat. Of Victor Harbor's population, 35% is aged over 65 with approximately 17% having little or no social connection. During the last 12 months the Caring Neighbourhood Program has been developing better quality systems and setting the foundation for growth within the program to meet this growing need for services that support people to develop stronger connection with our community.

Southern Communities Transport Scheme

The Southern Communities Transport Scheme (SCOTS) provides a range of services to assist people who are transport disadvantaged. Medi-Ride and Access are a door-to-door car service using volunteer drivers. In 2013/14, 6,056 long distance passenger trips were provided with 92 being for users of wheelchairs. A total of 3,181 local trips were provided with 38 being for users of wheelchairs. The Community Shopping Bus is a door-to-door service with volunteers assisting clients with their shopping bags. A total of 2,803 passenger trips were provided in 2013/14. SCOTS has a dedicated team of approximately 45 volunteers who provided more than 9,400 hours of their time in 2013/14, driving more than 227,000 km. In March 2014 Council was successful in obtaining a grant from the Commonwealth Department of Social Services to assist in meeting the increasing need for transport assistance. In April 2014 a fee schedule was introduced to replace the previous donation arrangement. This was the result of a state wide policy to ensure a consistent approach to how people are charged to use community transport across South Australia.

Southern Communities Transport Scheme



Objective 3: Environment and lifestyle protected against the pressures of population growth

Desired Outcomes:

- Landscapes, townscales, natural environment, built heritage, Aboriginal cultural assets are protected, conserved and enhanced
- Ecologically sustainable urban design and development
- A sense of community ownership and involvement

Highlights and Achievements

Local Heritage Incentives Grants Scheme

Council's Local Heritage Incentives Grants Scheme assists owners to conserve and maintain local heritage places. The works completed with assistance of the grants scheme must be conservation work including maintenance, preservation, restoration or reconstruction. In addition to the monetary assistance, the scheme also offers free architectural support services to owners/tenants of Local Heritage listed places.

A total of \$16,850 was provided through the Local Heritage Incentives Grants Scheme. The following places received assistance in 2013/14:

- 33 Parsons Road, Inman Valley
- 727 Waitpinga Road, Waitpinga
- 73 Ocean Street, Victor Harbor
- Train Turntable Site, Victor Harbor
- Railway Cottage, Victor Harbor



Oral History Project

After securing funding through the Federal Government's 'Your Community Heritage Program', the City of Victor Harbor Public Library commenced an oral history project titled "Beside the Seaside". Historian Rob Linn was commissioned to undertake the project which involved conducting and recording ten interviews, as well as establishing and training a group of volunteer interviewers to continue an interview program once his involvement has ceased. The oral history recordings can now be accessed in the City of Victor Harbor Public Library.

Coastal Management Initiatives

In November 2013, Council adopted a Coastal Management Strategy. The strategy will guide works and funding applications for the Victor Harbor coastline. The strategy addresses a number of coastal issues along the section of coast between Police Point and the Bluff Boat Ramp. It provides a 30 year expenditure forecast that will be incorporated into Council's draft 10 year capital works program.

KESAB Awards

The City of Victor Harbor received two awards at the November 2013 KESAB Sustainable Communities Awards. Victor Harbor picked up awards in the Natural Environment category which recognises the protection, conservation and enhancement of the natural environment, as well as the Heritage and Culture category for initiatives that preserve, celebrate and value Indigenous and non-Indigenous heritage and culture. These awards build on Council's earlier title of Australia's tidiest town and demonstrated that Council, and the Victor Harbor community are committed to sustainability initiatives that ensure Victor Harbor remains an attractive place to live and visit.

National Keep Australia Beautiful Awards

The City of Victor Harbor hosted the 2014 National Keep Australia Beautiful Awards on 3-4 April 2014. Hosting the awards was a chance to showcase our great city, demonstrating why Victor Harbor was named Australia's tidiest town in 2013. The awards included a number of inspiring activities, celebrations and networking functions for approximately 80 delegates from towns around Australia. The Awards culminated with the formal ceremony that named Victor Harbor's successor to the national tidy town title.

Flourishing on the Fleurieu

More than 300 people attended the Flourishing on the Fleurieu Expo at the City of Victor Harbor's Civic Centre on 9 April 2014. This was a free event presented by the Southern Fleurieu Positive Ageing Taskforce. There were more than 20 information displays showcasing a range of activities and healthy living support available to older people living on the Fleurieu. Organisations like the Royal Society for the Blind, Men's Engagement Network, Coast Care, Gadbug Cycling and the Caring Neighbourhood Program were on hand to provide information about the services they offer. Guest speaker and local identity, Sid James, spoke about his life and involvement in community activities. There was plenty of entertainment throughout the day with performances from local groups the ARPA Tapliners, Southcoast Barbershop Singers and community singers. And the iPad lounge proved to be very popular with attendees. Local craft groups had the opportunity to display their creations and attendees were able to take part in a number of exercise programs and fitness demonstrations.

Library Joins 'One Card' Network

The City of Victor Harbor Public Library officially joined the State's 'One Card' network in May 2014. The 'One Card' network connects more than 130 public libraries across SA and will enable members of the Victor Harbor Public Library to borrow and return items wherever they are in the state with their current library card. The new service gives library members 24/7 access to an online catalogue and millions of books, DVDs, CDs and magazines in libraries across SA that can be looked up and reserved with a click, either from home or in the library. Social media, online databases, e-resources and digital holdings of SA's public libraries are also planned to be integrated into the new state-wide online catalogue. The new system, shared between South Australian councils, delivers substantial cost savings and further efficiencies are expected.

SA's Favourite Library

The Victor Harbor Public Library was named SA's favourite library in a nationwide competition run by the Australian Library and Information Association. More than 200 libraries across Australia entered the competition in which the public could vote for their favourite library by phone, text and online. The Library celebrated the fantastic achievement with a community afternoon tea on Monday, 26 May 2014.

Southern Fleurieu Youth Advisory Committee

With a strong membership of 26 young people, the Southern Fleurieu Youth Advisory Committee (YAC) has had input into various strategies and plans and have assisted the state youth peak body YACSA with youth surveys, forums and attending Think Tanks on youth issues. YAC members also met with the South Australian Minister for Youth to discuss regional issues affecting young people. YAC continues to work on a variety of youth events including the Youth Showcase Extravaganza, FUSION 14 Youth Music and Skating Event, Youth NAIDOC event and Blue Light Discos. These events were attended by more than 1,000 people. YAC members have volunteered almost 7,000 hours of their time to a variety of Council and community events for the benefit of the wider community.

Wet Paint Youth Theatre

The Wet Paint Youth Theatre Group continued with weekly workshops, weekend intensives and school holiday workshops that have provided skill development in choreography, set design, prop creation and script development. Members had an amazing year with two successful performance outcomes “Dreams” and “Peter Pan”. The Showcase Extravaganza featured the Dreams performance and also the “Show Us Ya Shorts” Youth Film Festival. This event was a great success with 340 people attending the performances during the afternoon and evening. The Peter Pan performance was developed for a primary school audience and was enjoyed by the 400 students.



*Library's One Card
launch, May 2014*

Volunteering

Council is very fortunate to have more than 470 registered volunteers who assist Council with a wide range of programs and activities, and as community members on Council advisory committees. These volunteers provide more than 40,000 hours of their time each year, which would be conservatively valued at more than \$1 million. The commitment of our volunteers and their willingness to share their skills and experience is very much appreciated.

The groups in Council that include volunteers were:

- Southern Communities Transport Scheme
- SA Whale Centre
- Caring Neighbourhood Program
- Visitor Information Centre
- Fleurieu Families
- Victor Harbor Library and Friends of the Victor Harbor Library
- Horse Drawn Tram.

Volunteers were also involved in caring for parks, reserves and the environment:

- Town Pride Committee
- Victor Harbor Coast Care
- Bush for Life
- Encounter Waters Gardening Group
- Encounter Lakes Gardening Group
- Encounter Lakes “Beach Boys”
- Roadside Watch
- Friends of Wright Island
- Friends of Nangawooka Flora Reserve
- Various reserves such as Adams Reserve, Tam O’Shanter Reserve, Russel Bird Reserve, Stock Reserve, Mayfield Terrace Reserve, Cudmore Road Roundabout, and BridgeTerrace/Railway Terrace .

Earlier this year, Council’s National Volunteer Week Small Grants Program assisted 30 community groups to recognise the contribution of more than 860 volunteers.



Borrow Here

Objective 4: Leadership, service delivery and organisational management that underpins our strategic directions

Desired Outcomes:

- Effective community engagement and leadership
- Efficient and effective service delivery
- Financial sustainability and risk management
- An adopted, skilled, safe and satisfied workforce

2013/14 Highlights and Achievements

Australia Day Awards

Warland Reserve was a hive of activity on January 26 for the City of Victor Harbor's annual Australia Day celebrations. The community was called together by the Town Crier, the City Band entertained and the Rotary Club of Victor Harbor provided a traditional Aussie sausage sizzle breakfast. Peter Francis of McCracken, a former principal of Victor Harbor High School, was named the 2014 Citizen of the Year for his tireless contribution to the community through his involvement with the Encounter Bay Rotary Club, Victor Harbor RSL and Port Elliot Surf Life Saving Club. Young Citizen of the Year was awarded to Mat Morley who was particularly commended for his role as a mentor, coach and instructor at the Victor Harbor Yacht Club and director with the Rotary Youth Leadership Award.

Citizenship Ceremonies

Four citizenship ceremonies were conducted throughout the year with 19 people completing the final step in the journey to become an Australian citizen.

Service Reviews

To plan for future community needs, Council is committed to undertaking a number of services reviews to assess service levels, costs and business processes. The following business areas underwent service reviews in 2013/14:

- Information and Communications Technology
- Tourism and Economic Development
- Records
- Roads
- Parks and Gardens.

Council's Business Continuity Plan

Council staff tested the Business Continuity Plan against a temporary loss of service scenario and updated the Plan. This year's test scenario considered the impact of an electrical fire at the reception area at the Civic Centre. The scenario required consideration of the impact of the business interruption including the loss of power to the Civic Centre; damage to servers and data; and damage to part of the building thereby requiring a period of renovation. The objective of the exercise was to determine the potential impacts upon operations and service delivery with the view to identifying appropriate responses and contingency arrangements should a real emergency occur. Following the test the Business Continuity Plan was updated.

Strategic and Operational Risk Management Reporting

Council's risk register has been developed and implemented, including training of staff. Strategic, operational and work health safety risks are now required to be entered into the corporate risk register database.

Sustainable Assets

Council manage a diverse range of community assets and need to ensure the efficient operation and management of these assets to optimise the benefits to the community. To help manage the asset base, Council utilises a number of software systems including an Asset Management System, a Customer Request System and a Geographic Information System. Council undertook automated inspections of road, kerb and footpath networks with imagery taken every 10m on roads and every 3m on footpaths. The data captured from these surveys has been used to condition rate and prioritise capital and maintenance works, and is used for asset valuations. The inspections and condition ratings are repeated every few years so Council can more objectively determine whether the overall condition of our assets have improved or deteriorated. Capital and maintenance works programs will then be adjusted if necessary.

Professional Development Process

The staff annual review process was reviewed and re-developed to ensure all staff could participate in an effective and efficient professional development process. It encourages regular performance discussions between employees and supervisors at regular intervals throughout the year. The process includes consideration of achievements of the past year, individual performance, individual key planned activities, review of job descriptions, setting future goals and identifying training needs.

Digital Local Government Program

The City of Victor Harbor secured over \$369,000 in grant funding to introduce new video conferencing facilities that will take Council's service delivery to the next level. The funding, delivered through the Australian Government's Digital Local Government Program, aims to bring about significant improvements in the quality, availability and speed of local government online services. The new facilities will enable the community to initiate video calls with Council staff over the internet, and share files, pictures and videos. The new services will mean improved accessibility to Council services for those who are unable to attend the Civic Centre in person. The system is expected to be up and running late in 2014.



*Citizenship Ceremony
November 2013*

Policy Development and Review

During 2013/14 the following Policies were reviewed:

- Crossovers/Crossing Place Policy
- Order Making Policy
- Whistleblower Protection Policy
- Fraud and Corruption Prevention Policy
- Asset Accounting Policy
- Asset Management Policy
- Donation and Memorial Plaque Policy
- Internal Control Policy
- Major Festivals and Events Policy
- Procurement Policy
- Records Management Policy
- Rating Policy 2013/14
- FRWA Kerbside Waste Collection Policy
- Council Guidelines and General Approval for the Placement or Affixation of Election Signs.

During the same period the following Codes and procedures were endorsed:

- Code of Conduct for Employees
- Code of Conduct for Council Members
- Complaint Handling Procedure under the Code of Conduct for Council Members
- A suite of documents to support Council's Volunteer Induction process.
- Risk Management Procedure for Council Reports.

Elected Members

Mayor



Graham Philp

Councillors



Tim Telfer
(Deputy Mayor)



Barbara Bond



Pat Chigwidden



Karen Dutton



David Hall



Peter Lewis



Robert (Bob) Marshall



Chris Sedunary



Daniel Shepherd

Governance

Elected Member Allowances

Elected Members are paid an annual allowance in accordance with Section 76 of the Local Government Act 1999.

In 2013/14 Elected Members received the following allowances:

- Mayor - \$49,672.50
- Deputy Mayor - \$13,992.50
- Presiding member of Audit/Strategic Planning and Development Policy Committee - \$15,522.50
- Councillors - \$12,418.50

In addition to the allowance, the following additional support is provided:

Mayor

- Use of a council vehicle
- Mobile phone
- Laptop computer
- Access to shared secretarial support
- Corporate credit card

All Elected Members

- Business cards
- Identifying name badges
- Travel reimbursement (within guidelines)
- Child care reimbursement (within guidelines)

Each independent member of the Audit Committee received \$350 per meeting. The Presiding member of Council's Development Assessment Panel received \$450 per meeting and other panel members received \$350 each per meeting.

Meeting Attendance

The City of Victor Harbor held 12 Ordinary and five Special Council Meetings during 2013/14.

Elected Member	No. Meetings Attended
Mayor Philp	17 of 17
Cr P Chigwidden	15 of 17
Cr D Hall	16 of 17
Cr P Lewis	14 of 17
Cr R Marshall	15 of 17
Cr C Sedunary	12 of 17
Cr K Dutton	13 of 17
Cr B Bond	15 of 17
Cr D Shepherd	12 of 17
Cr T Telfer	16 of 17

Elected Member Training, Seminars and Conferences

To encourage Elected Members to invest in their personal development, Council has an Elected Members' Training and Seminar Attendance Policy.

During 2013/14 Elected Members attended the following activities:

	Date	Mayor G Philp	Cr P Chigwidden	Cr D Hall	Cr P Lewis	Cr R Marshall	Cr C Sedunary	Cr K Dutton	Cr B Bond	Cr D Shepherd	Cr T Telfer
Regional ICAC Training	27/08/2013		✓	✓	✓			✓	✓		
LGA Code of Conduct and ICAC Training	27/08/2013	✓									
Local Government Meeting Procedures Training	30/08/2013	✓	✓	✓	✓		✓	✓	✓	✓	
LGA AGM - Conference Sessions	24/09/2013	✓									
Native Vegetation Workshop	6/02/2014	✓									
Australian Coastal Councils Conference	24-26/03/2014	✓	✓								
LGA Showcase and Conference Sessions	20/05/2014	✓								✓	



Competitive Tendering

The City of Victor Harbor has contracted out a number of services in order to achieve savings for the community, source particular expertise, ensure independence and provide valuable support to the limited Council staffing resources.

Services that have been contracted out or have been subject to a competitive process are provided below:

- Civil Consulting Services
- Cleaning Services (ongoing)
- Pavement Material Testing
- Block Clearing Services
- Veterinary Services
- Safety Barriers for Bridges
- Earthmoving Services (Jagger Dam)
- Road Design Documentation / Specifications
- Alarm Monitoring and Response Management
- Architectural Design and Consulting Services
- Weed Spraying Services
- Video Conferencing and Phones Infrastructure
- Security Patrol Services
- Urban Design Consulting Services
- Grounds Maintenance Services
- Supply and Install Fencing to the Parkway
- Supply of Irrigation Parts
- New Toilet Facility at John Crompton Reserve
- Vehicle and Plant Acquisitions (Fork lift, compaction roller, dog trailer, trucks x 3, Backhoe loader, utes x 2, people mover)
- Landscape Design Services
- Asset Data Collection
- Electronic Handheld Infringement Devices
- Window Cleaning Services

Other services are constantly reviewed in light of changing community demands or where an opportunity is identified that will enable the provision of services more cost effectively. In assessing the contracting of services Council also has regard for the capacity of Council's limited staffing resources.

National Competition Policy

The National Competition Policy seeks to facilitate effective competition to promote efficiency and economic growth while accommodating situations where competition does not achieve efficiency or conflicts with social objectives.

Council is required to report on:

- the review and reform of by-laws which restrict competition; and
- any significant business activities controlled by the Council during the 2013/14 period.

Council did not conduct a review of its by-laws during the reporting period.

The City of Victor Harbor operates the following Business Activities:

- Victor Harbor Horse Drawn Tram
- South Australian Whale Centre
- Visitor Information Centre.

These activities are not identified as 'significant' under Category One (annual revenue in excess of \$2m or employing assets in excess of \$20m) of the National Competition Policy. In addition Council did not commence or cease any significant business activity during the reporting period.

Council has adopted a Competitive Neutrality Complaint Procedure which is evaluated annually. No competitive neutrality complaints were received during the reporting period.

Community Land

Council adopted its initial Community Land Management Plans in December 2004, with Council properties added to the Land Register accordingly.

In accordance with Chapter 11 of the Local Government Act 1999, the following properties were added as Community Land to the Register during 2013/14.

Assess No.	Certificate of Title	Lot	Plan	Community Land	Description
A12573	CT6115/669	13	D91259	Yes	Roadside boundary buffer on Welch Road, near Stirling Court. 7.9 m ²
A12542	CT6117/395	20	C27792	Yes	Roadside boundary buffer on Adelaide Road, near Coromandel Drive. 4.6 m ²
A12578	CT6127/459	Pce 50 & 51	D89365	Yes	Boundary adjustment from land exchange near Victor Harbor Golf Course. 82,993 m ²
A12632	CT6131/386	256	D93145	Yes	Roadside boundary buffer on Tabernacle Road, near Kingfisher Crescent. 14.7 m ²
A12659	CT6135/635	Pces 3-4	D91827	Yes	Remainder of Truslove Reserve on Maude Street from SA Water Pump Station land acquisition. 921.5 m ²

Registers and Codes

The following documents are available to the public:

Registers

- Council's Delegations Register
- Register of Community Land
- Parking Control Register
- Register of Dogs
- Register of Public Streets and Roads
- Register of Employees' Salaries and Wages and Benefits
- Register of Elected Members' Interests (Returns)
- Register of Elected Member Allowances and Benefits
- Register of Officer Interests (Returns)
- Register of Land Management Agreements
- Register of Development Applications
- Register of By-laws

Codes

- Code of Conduct for Elected Members
- Code of Conduct for Employees
- Code of Practice of Access to Meetings and Documents

Documents Available for Public Inspection

These documents are available for inspection at the Council office or at www.victor.sa.gov.au:

- Notice and agenda for meetings of Council, Council Committees and electors
- Minutes of meetings
- Documents and reports to the Council or Council Committee (except any confidential items made under Section 90 of the Local Government Act 1999)
- Recommendations adopted by resolution of the Council
- Strategic Management Plans which include Community Plan, Asset Management Plans and Long Term Financial Plans
- Annual Business Plan
- Annual Budget
- Audited Financial Statements
- Annual Report
- Extracts from Council's Assessment Book
- List of Fees and Charges
- Management Plans for Community Land
- Procedures for the review of Council decisions and any report under Section 270(8)
- Terms of Reference for Council Committees
- Charters for subsidiaries established by the Council
- Council By-laws
- Campaign Donations Return under the Local Government (Elections) Act 1999
- Representation Options papers and reports on Council's boundaries
- Victor Harbor (City) Development Plan
- Agenda and Minutes of Council's Development Assessment Panel (reasonable access provided in accordance with the Development Act)
- Documents relating to approved development (within the Development Regulations and to relevant consents and/or copyright obligations)
- Rates Policy Summary (refer to Council's Annual Business Plan)

Council Policy Documents

- Asset Accounting
- Asset Management
- Budget Reporting and Amendment
- Car Parking Fund
- Civic Centre Room Availability
- Cross Over Policy
- Complaints Handling
- Council Meeting Procedures
- Internal Review of Council Decision Procedure
- Contact and Tender Policies
- Council Sporting Leases – Obligations and Responsibilities
- Donations Policy
- Ecological Sustainable Development
- Elected Member Access to Information
- Elected Member Allowances, Reimbursements and Support Policy
- Elected Member Training and Development Policy
- Election Caretaker Policy
- Election Signs Policy and Guidelines
- Footpath Policy
- Fraud and Corruption Prevention Policy
- Graffiti Management
- Light Fleet, Plant and Heavy Vehicles Changeover Replacement
- Major Events and Festivals
- Media Policy
- Order Making
- Parks and Street Furniture donation
- Privacy Policy
- Procurement Policy
- Prudential Management Policy
- Public Consultation Policy
- Reimbursement of Elected Member Expenses
- Renewable Energy and Economic Development
- Risk Management
- Road Naming
- Rural Property Addressing – Road Signage Management
- Sale and Disposal of Council Land and Other Assets
- Signage Policy
- Social Media Policy
- Whistleblower Protection Policy

Internal review of Council decisions

During the year Council received two applications for review of a Council decision under Section 270 of the Local Government Act 1999. One application for review was denied under Council's procedures as the matter was being considered under other statutory processes namely the Environment and Resources and Development Court. The second application was accepted, a review conducted and the applicant advised of the outcome. Council's Internal Review of a Council Decision Procedure is available online at www.victor.sa.gov.au.



Freedom of Information

Information Statement

Council publishes an updated Freedom of Information Statement on its website annually in accordance with the requirements of Section 9(1a) of the Freedom of Information Act 1991.

The purpose of the Information Statement is to assist members of the public to identify the functions and decision making processes of Council, detail the type of information held by Council and how it can be accessed.

Freedom of Information Applications

Council received three applications under the Freedom of Information Act from 1 July 2013 to 30 June 2014.

Summary of access determinations:

- Two applications were granted full access.
- One application was denied access under Section 4 – (prejudice an investigation of any contravention of the law).

Executive Team

City Manager (Chief Executive Officer)

Graeme Maxwell

Dip. Local Govt. Admin.
Professional Cert. In Management
F.L.G.M.A



Director Corporate and Community Services

Kate Jessep

Bachelor of Arts (Politics and Modern History)
Grad. Dip. Urban and Regional Planning
Grad. Dip. Human Resource Management



Director Planning and Regulatory Services

Graham Pathuis

Dip. Applied Science (Environmental Health
& Building Surveying)
Grad. Dip. Urban and Regional Planning



Director Environment and Infrastructure

Glenn Sandford

Professional Business Management
Engineering, Municipal Management
J.P.



Organisational

Executive Team Employment Packages

The City of Victor Harbor employs four staff members classified as Senior Officers. These Officers are employed on a performance based fixed-term contract and include the following:

- City Manager;
- Director of Corporate and Community Services;
- Director of Environment and Infrastructure; and
- Director of Planning and Regulatory Services.

Each Senior Officer receives a remuneration package that includes:

- A negotiated base salary.
- A loading in lieu of overtime and out of hours work, and recognising limited term of contract and individual officer performance.
- Business and private use of a Council vehicle.
- Communication expenses.
- Professional memberships.
- Statutory superannuation entitlements.

In addition the City Manager receives one week's additional leave per annum and the Director of Corporate and Community Services receives additional financial compensation for deputising for the City Manager as required.

The Senior Officers' performance based fixed-term contracts are subject to an annual performance appraisal and each officer was appraised during the year.

The Senior Officers' contracts are due to expire in:

- City Manager – November 2017
- Director Corporate and Community Services – September 2017
- Director Environment and Infrastructure - September 2014
- Director Planning and Regulatory Services – June 2018.

As required by Section 105 of the Local Government Act 1999 a register of remuneration for all employee positions is maintained and is available for public inspection.

Human Resources and Staff Levels

The City of Victor Harbor is one of the city's major employers. The approved staffing complement for the 2013/14 financial year consisted of 102.63 FTE (includes trainees and apprentices).

Additionally, over 470 volunteers provided support to activities such as the Horse Tram Operation, Visitor Information Centre, Whale Information Centre, Library, Southern Communities Transport Scheme, graffiti removal programs, tidy towns projects and, river and coastal protection initiatives.

Industrial Disputes

There was one matter referred to the SA Industrial Relations Commission during the 2013/14 financial year, which was resolved.

Staff Turnover

A healthy staff turnover for an organisation of the size of the City of Victor Harbor is considered to be in the vicinity of 7-13%. An average staff turnover of 10% would theoretically see Council's workforce refreshed over a ten year period. This equates to approximately one employee departure/arrival each month.

In 2013/14 11 staff terminated their services with the City which included nine (9) full or part time employees and two casual employees. This equated to a staff turnover of seven percent (7%) of total staff employed.

Training and Development

The City of Victor Harbor provides training and development opportunities for its employees to ensure that they are able to fulfil the requirements of their roles and meet the needs of the community. Employees are encouraged to take advantage of Council's comprehensive training programs that are supported by annual budget allocations. Council also supports employee's requests to attend professional conferences within their respective disciplines. This ensures that they maintain their professional accreditation, develop their knowledge and network with their peers.

The training hours undertaken in 2013/14 were in the areas of contract management, legislation, leadership development, higher education, vocational education and training, work health and safety, technical and plant operation.

Council also promotes learning on-the-job, a program of job rotation, higher duties and internal promotion to ensure that skills are retained and developed within the organisation.

Health and Wellbeing

The City of Victor Harbor aims to provide and promote a healthy and safe working environment by providing a Healthy Lifestyle Program. The program is available to all staff and includes an online interactive health program, general health assessments, fitness tests, weight loss programs, nutrition seminars, eye and hearing testing, skin cancer checks, influenza and hepatitis vaccinations.

Work Health and Safety

Council had nine workers compensation claims amounting to nine days lost time due to injury in the period 2013/14. This represents a decrease in lost time from the previous year where there were seven workers compensation claims and 70 days lost time. These figures were below Council's targets for the period.

Traineeships and apprentices

Council supported ten individuals in traineeship and apprenticeship opportunities in 2013/14 within five different work areas of Council. These initiatives, undertaken in partnership with Statewide Group Training (SA) Inc., have provided a valuable learning environment for our youth enhancing their abilities to gain future employment.

Enterprise Agreement

A new three year combined enterprise agreement was approved by the Industrial Relations Commission between the City of Victor Harbor, the Amalgamated Australian Workers Union, South Australian State Union (AWU) and the Amalgamated Australian Services Union, South Australian State Union (ASU) and all eligible employees of the City of Victor Harbor.



Jed
Second year apprentice

Council's Decision Making Structure

Meeting Procedures

The Local Government Act 1999 provides for decisions to be made:

- at Council meetings (including committees and subsidiaries of councils);
- by the City Manager (specifically in relation to staffing matters); and
- by council staff and other authorised people through delegated powers from Council.

Council determines policy and makes other decisions at Council meetings on an ongoing basis. Policies and budgets endorsed by the Council provide a framework for the provision of services and programs and for day-to-day operational decision-making.

The Mayor does not have a deliberative vote at Council meetings but has a casting vote if there is a tied vote. A Chairperson at a Committee meeting has a deliberative vote, but no casting vote. Individual Elected Members cannot make binding decisions in isolation nor give directions to staff. Their key role is to develop and review policy as a group, leaving day-to-day administration and operational matters to staff.

Items Discussed in Confidence

All Council and Committee meetings are open for the public to observe. On occasion, Council may order that the public be excluded from the meeting pursuant to Section 90 of the Local Government Act 1999, to enable a matter to be considered in confidence. This may be necessary due to the sensitivity of an issue, for legal reasons or as a matter of commercial confidence.

During 2013/14 Council convened 12 ordinary and five special meetings at which a total of 427 items were presented. The public was excluded from council meetings for 26 agenda items. Thirteen of the items considered in confidence have since been released from confidence either in full or in part. The grounds upon which Council determined to exclude the public from the meeting are outlined in the table below:

Section items considered under	No. of items
(a) Personal affairs	4
(b) Commercial advantage	3
(c) Trade secret	
(d) Commercial information (not a trade secret)	
(e) Security / Safety	
(f) Maintenance of law	
(g) Breach of law	2
(h) Legal advice	1
(i) Litigation	
(j) Minister of the Crown	1
(k) Tenders for supply of goods or services	8
(m) Amendment to Development Plan	6
(n) Freedom of Information Act 1991	
Considered under a combination of the sections above - (b) & (d)	1
Total	26

Audit Committee

The City of Victor Harbor's Audit Committee was constituted in 2007, under Section 126 of the Local Government Act 1999 and also operates in accordance with the Local Government (Financial Management) regulations 1999.

Audit Committee Members

The Committee consists of two independent members and three Elected Members:

- Cr David Hall
- Cr Barbara Bond
- Cr Daniel Shepherd
- Ross Haslam
- Jeff Lucy

Role of the Audit Committee

The role of the committee is:

- To review annual financial statements to ensure that they present fairly the state of affairs of the Council;
- To review the adequacy of Council-wide risk management systems on a regular basis;
- To propose and provide information relevant to a review of the Council's strategic management plans or annual business plan;
- To propose and review the exercise of powers under Section 130A Local Government Act 1999 relating to efficiency and economy audits;
- To liaise with the Council's auditor; and
- To review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.

Audit Committee Report

The Committee met six times during the year. Meetings were held on a quarterly basis, with additional meetings in November 2013 to review the 2012/13 Financial Statements and April 2014 to review the proposed 2014/15 Annual Budget.

Many issues were addressed throughout the year, as required by the Committee Charter, including:

- Annual Financial Statements review
- External Audit Review, including interim and balance date audits
- Financial Policy Reviews
- Risk Assessments and Internal Audit Program Development
- Internal Control Assessments
- Internal Audit Program Results Reviews
- Sample Testing Reviews
- Risk Management and Register Development and Reviews
- Fixed Assets Review
- Service Reviews
- Annual Business Plan Review
- Budget Reviews
- Long Term Financial Plan Review.

Section 41 Committees

The Council is the primary decision making body. Section 41 of the Local Government Act 1999, gives the Council the power to establish committees to:

- Assist the Council in the performance of its functions;
- Inquire into and report to the Council on matters within the scope of the Council's responsibilities;
- Provide advice to the Council; and
- Exercise, perform or discharge delegated powers, functions or duties.

When establishing a committee, the Council determines the reporting and other accountability requirements that are to apply to the Committee. Section 41 Committee meetings are open to the public. Meeting times and agendas are provided on Council's website and are available at the Civic Centre.

The following outlines Council's Section 41 committees, each of which are advisory in nature (no delegations), and their membership.

Community Library Advisory Committee

Council Cr Pat Chigwidden (Chair)
Cr Peter Lewis

Community Mary Allison
Deane Michelmore
Maryanne McGill

Ex-officio Mayor Graham Philp

Disability Access Committee

Council Cr Barbara Bond (Chair)
Cr Peter Lewis
Mark Oliphant
Trevor Button
Bruce Henderson

Community Kay Ewens
Margaret Gray
Sid James
Angela Schiller

Ex-officio Mayor Graham Philp

Heritage Advisory Committee

Council Cr Robert (Bob) Marshall
(Chair) – *resigned April 2014*
Cr Barbara Bond
Ben Footner

Community Fleur Montgomery
Pat Uppill
Fred van Gestel – *resigned
September 2013*

Ex-officio Mayor Graham Philp

Horse Tram Advisory Committee

Council Cr Daniel Shepherd (Chair)
Cr Robert (Bob) Marshall
Graham Pathuis

Community Kathryn Wilson
Kim Bayly
Howard Moss
Brian Liddy
Deane Michelmore

Ex-officio Mayor Graham Philp

Old School Building Community Services Management Group

Council Cr Pat Chigwidden (Chair)
Cr Chris Sedunary
Mark Oliphant

Community* Dorothy Shields
Neville Anderson
Jan Sheehan
Di Smythe
Raylene Hill
Andy Saunders
Eric Richardson
Glenys Brown
Paul Jennings
Terry Smythe
Jean Smalley

***Note:** This Committee has unlimited user group representatives.

Tourism Victor Harbor Committee

Council Cr Karen Dutton (Chair)
Cr Peter Lewis

Community Des Manuel
Don Snow
Wendy Jennings
Carol Cooney
Shirley Sunter
Mike Willett

Ex-officio Mayor Graham Philp

Victor Harbor Recreation Centre Management Committee

Council Cr Karen Dutton (Chair)
Cr Chris Sedunary

Community Sue O'Hara
Fiona Hayes
Brian Waye
Ross Ford
Graeme Shalders

Ex-officio Mayor Graham Philp

Victor Harbor Economic Development Committee

Council Cr Tim Telfer (Chair)
Cr Peter Lewis

Community Shirley Sunter
Kelly Baker-Jamieson
Bob Carmichael
Trevor Mayhew
Don Bailey
Beryl Price

Ex-officio Mayor Graham Philp

Victor Harbor Boating Facilities Working Party

Council Cr Tim Telfer (Chair)
Cr David Hall

Community Michael Westley
John Crompton
David McKenzie
Colin Wood
Barry Jagger
Andrew Leak
Emergency Services
Representative (non-voting)

Ex-officio Mayor Graham Philp

Victor Harbor Recreation and Sport Advisory Committee

Council Cr Pat Chigwidden (Chair)
Cr Tim Telfer
Jeremy Bell
Brian Doman

Community Alan Manning
Julie Curran
Margaret Dent
Merridy Jagger
Sid James
John Guy
Susan Baxter
Ricardo Tually
Don Driver
Yvonne Cooke

Ex-officio Mayor Graham Philp

Committees Established Under Other Legislation

Several committees have also been established under other legislation and Council holds a number of representative positions on local and regional organisations.

- Workplace Health and Safety
- Enterprise Bargaining Committee
- Council Development Assessment Panel
- Strategic Planning and Development Policy Committee
- Building Fire Safety Committee

Representative Appointments

- Inman River Catchment Group
- Carrickalinga Board of Management
- Granite Island Management Committee
- Ranges to River Local Government Natural Resource Management Advisory Group
- Victor Harbor High School Governing Council
- Encounter Youth (Schoolies)
- National Sea Change Taskforce
- Victor Harbor Coastcare
- Fleurieu Regional Aquatic Centre Joint Working Party

Regional Representation

- Fleurieu Peninsula Tourism Marketing Committee
- Southern and Hills Local Government Association – Roads Working Party
- Fleurieu Region Community Services Advisory Committee
- Southern Communities Transport Scheme (SCOTS) Advisory Committee
- Southern Fleurieu Youth Advisory Committee
- Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroos Island
- Hills, Fleurieu and Kangaroo Island Emergency Management Committee
- Zone Emergency Management Committee

Regional Subsidiary

Council is a member of two regional subsidiaries established under Section 45 of the Local Government Act:

- Fleurieu Regional Waste Authority
- Southern and Hills Local Government Association

Subsidiary Annual Reports are provided as attachments to this document.

Community Engagement

Community Consultation

The City of Victor Harbor is committed to open, accountable and responsive decision making achieved by effective communication and consultation between Council and the community.

During 2013/14 Council conducted 12 public consultation exercises which resulted in hundreds of responses. Each of the consultations were advertised in the local paper, in Victor Viewpoint (Council's e-newsletter), on Council's website, displayed in the council office, promoted on community radio and, where appropriate, directly sent to key stakeholder groups.

Deputations

A deputation is a person or group of persons (up to three) who wish to appear personally before Council in order to address the Council on a particular matter. A written request to the Mayor is required.

In 2013/14 one deputation occurred, as detailed below.

Date	Subject and circumstances
24 February 2014	Miranda Lang, Executive Officer of the Fleurieu Peninsula Tourism (FPT) gave a detailed presentation on the FPT's operations, target markets, outcomes, projects and benefits to Victor Harbor.

Questions from the Gallery

Questions from the gallery at Council meetings enable an opportunity for members of the public to address questions to the Councillors or officers of Council.

There were 48 questions raised by members of the gallery at Council meetings during 2013/14.



*Mainstreet Precinct Master Plan
consultation - March 2014*

Petitions

Petitions can be submitted to Council on any issue within the Council's jurisdiction. They should set out clearly the request or submission of the petitioners and be delivered to the Principal Office of the Council. A form to assist the petitioner is available on Council's website, www.victor.sa.gov.au.

In 2013/14, the following petitions were submitted to Council.

Date	Subject and circumstances
25 November 2013	Condition of Waitpinga Road
26 May 2014	Petrel Cove – calling for its closure and a memorial to be erected
26 May 2014	Condition of Wattlebury Road
26 May 2014	Footpath Request – western side of Adelaide Road

Representation Quota

Section 12(4) of the Local Government Act 1999 requires Council to undertake a comprehensive review of the representative structure of Council at least once every eight years. Council last completed a review in 2009 where the number of Councillors was reduced to nine plus the Mayor.

The following table shows the current representative structure for the City of Victor Harbor and comparative data for similar councils:

Council	Elected Members	Electors	Representative Quota
Alexandrina Council	12	18,848	1,570
Yankalilla District Council	9	3,631	403
Barossa Council	12	16,695	1,391
Berri Barmera	9	7,348	816
Copper Coast	11	10,236	930
Light Regional Council	11	9,986	907
Loxton Waikerie	11	8,162	742
Murray Bridge	10	13,352	1,335
Port Pirie	10	12,380	1,238
Wattle Range	12	8,582	715
Yorke Peninsula	12	8,903	741
City of Victor Harbor	10	11,391	1,139

Finance

Council prepared its 2013/14 Annual Business Plan in conjunction with the Annual Budget process. The Annual Business Plan is the framework for the services, programs and projects for the year and provides important links and references to the Council's Strategic Plans including the Community Plan and Long Term Financial Plan as well as Council Policies.

The 2013/14 Statement of Comprehensive Income indicates operating income of \$22,426,000 and expenses of \$21,551,000 resulting in an Operating Surplus of \$875,000.

Rates

The Council's total rate revenue (including NRM Levy) increased from \$16.2 million in 2012/13 to \$17.5 million in 2013/14, a total increase of 8%.

Council adopted the Valuer-General's total capital valuation for the district of \$3.88 billion of which \$3.74 billion was rateable, representing a total valuation increase of 1%.

In determining the rates in the dollar for calculation of rates, Council considered the likely rate of inflation, increased insurance, power and water costs, waste management requirements, impacts of growth and development, expanded legislative responsibilities and the continuing decline of general purpose grants and other external funding opportunities.

The adopted rates in the dollar were determined using the following land use categories:

Land Use Category	Differential Basis	Rate in the Dollar
Residential	Base Rate	0.3647
Commercial	Base Rate + 30%	0.4741
Industrial	Base Rate + 15%	0.4191
Primary Production	Base Rate - 11.25%	0.3237
Vacant Land	Base Rate + 40%	0.5106
Other	Base Rate	0.3647

As a result of the above adopted rates in the dollar:

- Average rates across all categories increased by 7.6%
- Average residential rates increased by 7.4%
- There was a reduction in the Primary Production subsidy from 12.5% to 11.25%
- The fixed charged increased from \$310 to \$315 to raise approximately 20% of rate revenue.

Other Revenue

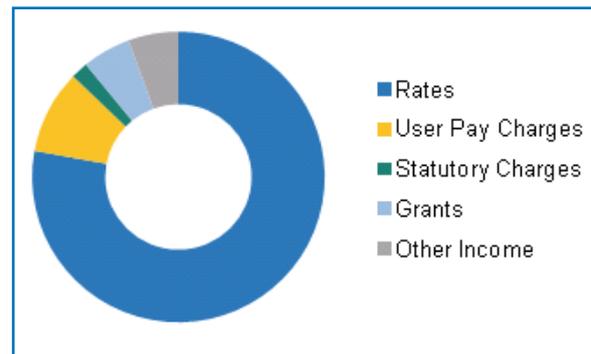
The City of Victor Harbor is heavily reliant on rate revenue as the main source of income with rate revenue representing more than 75% of the Council's total revenue.

The other 25% of revenue was received through a combination of the following:

- **User Pay Charges - \$2.09 million**
Includes fees and charges for the Horse Drawn Tram, SA Whale Centre, facility hire, cemetery, car parking, boat launching, Visitor Information Centre Bookings, leases and licences.

- **Statutory Charges - \$0.43 million**
Includes development lodgement and assessment fees, dog registration, property searches and expiations.
- **Grants - \$1.2 million**
Includes grants for library, community, tourism, roads and environment projects and Financial Assistance Grants.
- **Other Revenue - \$1.2 million**
Includes interest on investment deposits, donations and sponsorships, and reimbursements from the community, Government and other councils.

The chart to the right shows the distribution of revenue received by category.

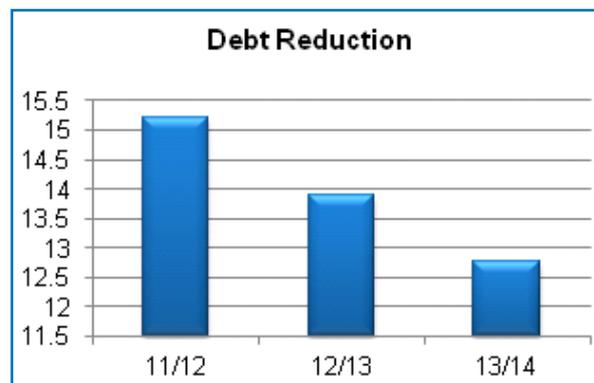


Borrowings

Council continued to reduce debt with no new loans being taken out in 2013/14 for Council projects and loan principal repayments of \$1.1 million made during the year.

The graph to the right shows the reduction in debt over the past 3 years.

The reducing debt level will assist to keep Council financially sustainable in light of future loans required for the construction of the Fleurieu Regional Aquatic Centre.



Assets

Council's existing asset base was increased by \$6.7 million, including \$69,000 of subdivision infrastructure received from developers. Large capital projects included the completion of Torrens Street Drainage, Stage 1 of Bay Road reconstruction and Information Technology Improvements.

Revaluation of buildings, roads, kerbs, footpaths and open space assets resulted in an increase in asset values of \$19 million.

Significant Projects for 2014/15

Parks, Reserves and Sporting Facilities

Regular upgrades to outdoor furniture, BBQ's and paving are proposed at various locations. Playgrounds will continue to be upgraded and the Irrigation Upgrade Program will continue. Recreational activities include the construction of a pontoon at the Bluff Boat Ramp, planning and design of the Regional Aquatic Centre and the replacement of flooring at the Recreation Centre. The total cost of parks, reserves and sporting facilities is expected to be \$1.67m.

Roads and Footpaths

A total road construction allocation of \$2.1m (offset by grants of \$860k) includes major resealing and re-sheeting programs, the second stage of reconstruction of Bay Road and reconstruction of Ocean Road. A net total of \$410k has been allocated to the construction or extension of footpaths and kerbing at George Main Road and the Foreshore Promenade as well as replacement of footpaths and kerbing in line with Council's condition rating model.

Plant and Equipment

Plant and equipment will be replaced in line with Council's Plant Replacement Policy. Items identified to be replaced in 2014/15 at a cost of \$315K include a low loader, skid steer, rear deck mower, commuter bus and various utilities.

IT and Communications

Technology is advancing rapidly and Council needs to continually renew infrastructure, systems and software to maintain functionality and maximise efficiency. Included in the \$1m IT capital budget is the replacement of various servers, expansion of the intranet, notebooks, computers and other mobile devices, software and installation of fibre optic cabling to link Council sites.

Coastal Management

A total of \$336k has been allocated for coastal protection works including \$98k for coast sand replenishment and revegetation and \$50k for beach access and \$25k for stormwater outlets.

Business Activities

A \$22k allowance has been made for point replacement on the tram line, as well as the purchase of horses and equipment. Education programs at the SA Whale Centre will be updated in line with national curriculum requirements.

Tourism Marketing and Events

A new online booking service at the Visitor Information Centre has been included at \$37k. Allowances for various events (New Years' Eve Celebrations, Schoolies Week, Rotary Art Show, Rock N Roll Festival, Whaletime Playtime Festival, Encounter Bay and Franklin Island Triathlons, Food and Wine Festival, Christmas Pageant and Whale Centre 25th Anniversary Celebrations) has also been included. One of the most significant events spanning from 2014-18 is the Centenary of the ANZAC. Council has made some provision for this event in upgrades at Soldiers Memorial Gardens.

Service Reviews

Council has committed to undertaking a number of service reviews to assess service levels, costs and business processes, to plan for future community needs.

Other Projects

Other projects include the establishment and fencing of a suitable site for a dog off-leash area, installation of guard railing, traffic management controls and installation of solar panels at both the Depot and Civic Centre. The Fleurieu Regional Aquatic Centre project continues into 2014/15 with detailed design due for completion and the commencement of the construction tender process.

Strategic Management Planning

A comprehensive review of the Council's Asset Management Plan, Asset Management Strategy and Capital Works Program will provide a firm direction and priority for the Council's infrastructure and asset needs over the next ten years. The outcomes will be included in a review of the Long Term Financial Plan and will assist Council to achieve and maintain financial sustainability.

Grants and Contributions

Council will continue to support local businesses and community organisations by providing a range of grant opportunities (community, sport and recreation, heritage and Mainstreet façade grants). Various rate rebates are also provided to community services and aged and disabled care providers while cash and in-kind donations are provided in accordance with Council's donations policy during the year.



Fleurieu Regional Aquatic Centre

Appendix 1

2013/14 Key Planned Activities

Objective 1: A strong economy and supportive business environment

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
EMPLOYMENT AND ECONOMIC DEVELOPMENT				
1.1 Support an increase in appropriate business investment and employment opportunities				
Identify next stage project in the Railway Terrace Precinct and review funding and delivery opportunities. (1.1.1)	On Track	Completed		
Complete the Urban Design Framework Project for the Ocean Street/Main Street Precinct. (1.1.2)	On Track	Completed		
Complete Strategic Direction Report (s30 Review).(1.1.3)	On Track	Completed		
Complete review and update of the Urban Growth Management Strategy (UGMS). (1.1.4)	On Track	Completed		
Investigate and evaluate feasibility of a "Sculptures by the Sea" event. (1.1.5)	On Track	Completed		
Develop an Economic Development Action Plan. (1.1.6)	Not on Track	80%	Timeline	Forecast timelines ambitious
Undertake a Town Centre Car Parking Strategy. (1.1.7)	Cancelled	N/A	Council	
Implement initiatives under the Mainstreet Precinct Action Plan. (1.1.8)	On Track	Completed		
1.2 Promote Victor Harbor's competitive advantages in order to encourage new businesses and industries				
Provide primary producers with a subsidy on the base residential rate in recognition of the economic and social importance of primary production to the district. (1.2.1)	On Track	Completed		
1.3 Plan for an improved range of and access to services				
Progress Centres Strategic Review and Development Plan Amendment. (1.3.1)	Not on Track	80%	Environmental	Matters outside of the organisations control
Design and construct RV vehicle and caravan effluent "Dump Point". (1.3.2)	On Track	Completed		
1.4 Encourage improved reputation and business climate				
Organise and stage the 2014 Whale Time / Play Time Festival. (1.4.1)	On Track	Completed		
Design and upgrade signage on outside wall of the Visitor Information Centre building (facing the Esplanade Car Park. (1.4.2)	Not on Track	80%	Financial	Unrealised income
Deliver the next stage of the Tourism Signage Upgrade Project. (1.4.3)	Cancelled	N/A	Council	
Implement the Mainstreet Precinct Christmas Decorations Project in funding partnership with business operators. (1.4.4)	On Track	Completed		
Organise and stage a New Years Eve community celebration event with a view to an expanded (early evening) fireworks display. (1.4.5)	On Track	Completed		
Organise and stage a Horse Drawn Tram Open Day event. (1.4.6)	On Track	Completed		
1.5 Support business linkages through partnerships and collaboration				
Develop combined and package ticketing opportunities for marketing and sale through the Visitor Information Centre. (1.5.1)	On Track	Completed		
Participate in the Fleurieu Peninsula Tourism Committee, and regional tourism plan and activities. (1.5.2)	On Track	Completed		
Undertake a review of involvement with Fleurieu Peninsula Tourism to inform funding agreement renewal after 2013/14. (1.5.3)	On Track	Completed		
POPULATION AND HOUSING				
1.6 Plan for appropriate housing stock and diversity to meet current and projected needs.				
Complete the Better Development Plan DPA. (1.6.1)	Not on Track	80%	Capacity	Related to staff/resource numbers
1.7 Encourage an increase in the proportion of permanent residents.				
CONNECTIVITY				
1.8 Support improved information communication technology services.				
Facilitate Council input into the Federal NBN project. (1.8.1)	On Track	Completed		
1.9 Negotiate for improved regional transport connections				
Support the Fleurieu Road Safety Group to implement community road safety initiatives. (1.9.1)	On Track	Completed		
1.10 Integrate transport services and land use planning				
1.11 Develop and maintain safe road, cycle and pedestrian corridors and networks.				
Work with the Disability Access Advisory Committee to identify and upgrade problem footpath areas, and areas requiring additional car parks for disabled permit holders. (1.11.1)	On Track	Completed		

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
Continue footpath installation and upgrade program as a result of the condition rating assessments undertaken for Council asset management plans. (1.11.2)	On Track	Completed		
Work with developers to ensure new land divisions have connectivity with existing road, cycle and pedestrian networks. (1.11.3)	On Track	Completed		
Review Council's Engineering Design Guidelines. (1.11.4)	Not on Track	50%	Capacity	Under estimation of workload against available staff resources
Implement the road work program developed from 2011 condition assessments for road resurfacing and reconstructions. (1.11.5)	On Track	Completed		
Review service standards and maintenance of existing footpaths following condition assessments. (1.11.6)	Not on Track	90%	Timeline	Forecast timelines ambitious
Implement bridge maintenance in accordance with Council's most recent asset management report on bridge structures, and further refine Council's works program for bridges. (1.11.7)	On Track	Completed		
Update and replace signage along the bike lane route from the Parkway to Crozier Road. (1.11.8)	Not on Track	50%	Financial	Budget Forecast under estimated
Undertake road reconstruction of Stage 1 of a two stage project for Bay Road. (1.11.9)	On Track	Completed		
1.12 Advocate for improved public and community transport services.				
In partnership with Alexandrina Council provide the Southern Communities Transport Scheme to assist transport disadvantaged people to access essential services. (1.12.1)	On Track	Completed		
Advocate for improved regular passenger transport services between Victor Harbor and Goolwa, and Victor Harbor and Adelaide. (1.12.2)	On Track	Completed		
Implement the new Community Passenger Network Customer Relationship Management Software Program. (1.12.3)	On Track	Completed		
COMMUNITY				
1.13 Advocate for expanded options to access higher education and skills development				
Objective 2: The sustainable provision of physical infrastructure and community services				
PHYSICAL INFRASTRUCTURE				
2.1 Stage release of residential land ahead of growth and in line with staged services				
Maintain a higher differential rate to be applied to the vacant land use category. In accordance with the Local Government (Rating) Amendment Bill 2012, to encourage consolidation of properties and more efficient infrastructure provision. (2.1.1)	On Track	Completed		
2.2 Plan for and encourage reduced waste generation and increased recovery and reuse of waste				
Implement landfill post-closure actions and maintenance to meet EPA post closure requirements. (2.2.1)	On Track	Completed		
2.3 Improve stormwater management through retention, detention, and reuse				
Undertake programmed stormwater drain maintenance and drain inlet upgrades as required in the Urban Stormwater Master Plan. (2.3.1)	On Track	Completed		
Implement design and construction of stormwater upgrades identified in the Urban Stormwater Master Plan, and included in Council's Ten Year Capital Works Program. (2.3.2)	On Track	Completed		
2.4 Maximise reuse of treated wastewater				
2.5 Encourage reduced energy consumption through energy efficient development				
2.6 Encourage increased use of sustainable energy sources				
Commence a Community Purchase of Renewable Energy Program (CPREP) for commercial and industrial application. (2.6.1)	On Track	Completed		
Investigate the conversion of down light fixtures in the Civic Centre to LEDs and if appropriate stage a conversion process. (2.6.2)	On Track	Completed		
2.7 Encourage water sensitive urban design and water consumption reduction				
COMMUNITY				
2.8 Facilitate meeting places responsive to community needs				
Encourage initiatives to develop meeting places responsive to community needs, including investigating extension of the lease on the Old School Building Community Centre. (2.8.1)	Not on Track	40%	Environmental	Matters outside of the organisations control
2.9 Encourage coordination, collaboration and the effective provision of and access to health and community services in the local area and region				
Support implementation of the Southern Fleurieu and KI Positive Ageing Taskforce Strategic Plan for 2010-2019. (2.9.1)	On Track	Completed		
Through the Southern Fleurieu and KI Positive Ageing Taskforce improve access for older people to mental health services. (2.9.2)	On Track	Completed		
Complete an update of the Southern Fleurieu Regional Youth Strategy 2007-2010. (2.9.3)	Not on Track	30%	Capacity	Under estimation of workload against available staff resources

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
Provide a community grants program. (2.9.4)	On Track	Completed		
Support the development of the Fleurieu Community Foundation. (2.9.5)	On Track	Completed		
Consider and apply for relevant funding under the State Government's Family and Community Development Program for the delivery of services for local families and children. (2.9.6)	On Track	Completed		
Undertake priority actions identified in the Fleurieu Families Vulnerable and Disadvantaged Client Access Strategy with particular emphasis on the indigenous target. (2.9.7)	On Track	Completed		
Investigate and implement as appropriate improved evidence based performance evaluation and productivity tools to more effectively measure the outcomes of community service projects. (2.9.8)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources
Support the Families Taskforce to develop strategies that promote and facilitate easily accessible, targeted, and coordinated services for young people and families with children. (2.9.9)	Not on Track	80%	Environmental	Matters outside of the organisations control
Participate with other member Councils of the SHLGA in the development of a Regional Health Plan as required by the Public Health Act 2011. (2.9.10)	On Track	Completed		
Investigate the impact and resource implications on Council of the administration, enforcement and implementation of the Public Health Act 2011. (2.9.11)	Not on Track	0%	Capacity	Loss of staff through turnover, illness, unprogrammed leave etc.
2.10 Promote safe communities through appropriate infrastructure, urban design, crime prevention and police services				
Monitor and evaluate the town centre CCTV system and review location of cameras in town centre area. (2.10.1)	Not on Track	90%	Performance	Failure of contractor/consultant to meet expected outcomes
2.11 Plan for the appropriate location of children's services, facilities for the aged, recreation and sporting facilities, education services and cemeteries				
Continue the Playground Development Program. (2.11.1)	On Track	Completed		
Complete design and commence construction of a dog park facility. (2.11.2)	Not on Track	50%	Capacity	Related to staff/resource numbers
Investigate suitable sites for a new cemetery. (2.11.3)	Not on Track	60%	Environmental	Matters outside of the organisations control
2.12 Improve access, lifestyle and information services for people with a disability				
Review Council's Disability Discrimination Act Action Plan. (2.12.1)	Not on Track	0%	Capacity	Under estimation of workload against available staff resources
2.13 Ensure high quality open space and recreation facilities are provided and maintained				
Complete 2013/14 reserve and street furniture upgrade programs. (2.13.1)	On Track	Completed		
Develop Soldiers Memorial Reserve, as per Recreation and Open Space Strategy, and Soldiers Memorial Reserve Master Plan. (2.13.2)	On Track	Completed		
Continue open space asset renewal and upgrade program as per Open Space Asset Management Plan, and Recreation and Open Space Strategy. (2.13.3)	On Track	Completed		
Develop open space hierarchy framework and future development and upgrade program. (2.13.4)	Not on Track	80%	Capacity	Under estimation of workload against available staff resources
Subject to funding, and in cooperation with the Alexandrina Council, coordinate detailed design and planning for the Fleurieu Region Aquatic Centre (2.13.5)	On Track	Completed		
Objective 3: Environment and lifestyle protected against the pressures of projected population growth				
ENVIRONMENT				
3.1 Protect ecological values and biodiversity				
Complete the 2013/14 Street Tree Planting Program and Streetscape Enhancement Program. (3.1.1)	On Track	Completed		
Implement Urban Forests Project Stage 3. (3.1.2)	On Track	Completed		
3.2 Identify and protect heritage, landscape and townscape values				
Facilitate Council's Local Heritage Incentives Grant scheme. (3.2.1)	On Track	Completed		
Facilitate Council's Mainstreet Facade Grant Program. (3.2.2)	On Track	Completed		
Complete Stages 1 and 2 (installation) of the Heritage Interpretation Plaques Project and commence Stage 3. (3.2.3)	On Track	Completed		

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
Undertake a Management Plan for all Council owned and managed State Heritage listed buildings and places. (3.2.4)	Not on Track	0%	Environmental	Failure of external partners to achieve an agreed outcome
Continue to work with the local Aboriginal community to support the protection of Aboriginal heritage. (3.2.5)	On Track	Completed		
Research design, costs, and grant funding opportunities for a railway heritage interpretation project at the SA Whale Centre. (3.2.6)	On Track	Completed		
Develop an indigenous heritage interpretation exhibit at the SA Whale Centre subject to external grant funding. (3.2.7)	Not on Track	0%	Financial	Unrealised income
Establish a local oral history project. (3.2.8)	On Track	Completed		
3.3 Protect and enhance the coastal environment				
Consider Coastal Management Study options and seek funding opportunities. (3.3.1)	On Track	Completed		
3.4 Plan for appropriately designed and located mixed density housing which caters to the needs of the community				
3.5 Adapt to impacts of climate change				
With consideration of the work being undertaken by the LGASA, and SHLGA, develop a process and strategy, identifying additional investigations, actions, timelines and costings, for the development of a Climate Change Action Plan. (3.5.1)	Not on Track	20%	Environmental	Matters outside of the organisations control
3.6 Encourage development controls which reflect principles of ecologically sustainable development				
COMMUNITY				
3.7 Encourage a vibrant community culture				
3.8 Promote Council services and activities				
Create and implement a local resident / ratepayer loyalty pass system for access to Council's tourism business units. (3.8.1)	Not on Track	90%	Timeline	Forecast timelines ambitious
Plan and design an interpretive signage display at the Causeway Plaza Horse Tram Facility. (3.8.2)	Not on Track	90%	Timeline	Forecast timelines ambitious
Increase awareness of local services through activities such as "Flourishing on the Fleurieu" (3.8.3)	On Track	Completed		
3.9 Encourage community interaction including participation in sport and recreation opportunities				
Support the provision of a volunteer referral service for residents wanting to get involved in community life, and share their skills and experiences. (3.9.1)	On Track	Completed		
Provide a Volunteer Week Small Grants Program to encourage groups to celebrate and recognise the contributions of their volunteers. (3.9.2)	On Track	Completed		
Implement library Statewide "One Card" Project. (3.9.3)	On Track	Completed		
Maintain existing pedestrian/cycle links and continue to work with developers to ensure connectivity between developments for pedestrians and cyclists. (3.9.4)	On Track	Completed		
Encourage programs that support new residents, especially aged people, to develop connection with their local community and build social capacity. (3.9.5)	On Track	Completed		
Partner with local services and councils in the Office for Recreation and Sports, Star Club Field Officer Program (formerly the Be Active Field Officer Program). (3.9.6)	On Track	Completed		
3.10 Promote concepts of "Connected Communities" and "Communities for All"				
Support the Southern Fleurieu Youth Advisory Committee including the provision of opportunities for young people to plan, implement and participate in arts and cultural activities. (3.10.1)	On Track	Completed		
Work with the Child Friendly Cities Pilot Project Team to further develop the notion of a child friendly South Australia. (3.10.2)	On Track	Completed		
3.11 Ensure a planned response to the impacts of fire, flooding and other emergencies				
Participate in the Fleurieu Bushfire Management Committee development of the regional bushfire plan. (3.11.1)	On Track	Completed		
Objective 4: Leadership, service delivery and organisational management that underpins our strategic directions				
GOVERNANCE AND COMMUNITY LEADERSHIP				
4.1 Support elected members to fulfil their role as the governing body of Council				
4.2 Ensure efficient legislative compliance				
Review and update Council's Building Inspection Policy. (4.2.1)	Not on Track	50%	Capacity	Related to staff/resource numbers
Continue to enhance systems and practices to monitor legislative compliance. (4.2.2)	On Track	Completed		
Continue to review Council policies with reference to Council's Policy Schedule. (4.2.3)	Not on Track	90%	Capacity	Related to staff/resource numbers

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
4.3 Increase participation of the community in local government planning, operations, and elections				
Develop and implement a communication strategy that includes Council's website, new communication options such as social media and "Victor Viewpoint" and promote community participation. (4.3.1)	On Track	Completed		
4.4 Ensure that the community receives clear and concise plans, reports and guidelines, and reasonable response time for all processes that invite public consultation				
4.5 Develop inter-governmental and regional relationships				
4.6 Ensure that Council operates in a strategically planned environment				
Report on Council's performance against objectives and strategies using financial and non-financial performance measures. (4.6.1)	On Track	Completed		
4.7 Foster and demonstrate community leadership				
Recognise our community's achievements through initiatives such as Victor Viewpoint, Australia Day Awards, and Council Functions. (4.7.1)	On Track	Completed		
SERVICE DELIVERY				
4.8 Engage with the community to identify their needs and expectations				
Identify Council's key areas for service delivery and progressively review service levels. (4.8.1)	Not on Track	90%	Timeline	Forecast timelines ambitious
Coordinate the content and maintenance of Council's website to ensure up to date information and maximise consultation exposure to the community. (4.8.2)	On Track	Completed		
4.9 Ensure a high and efficient level of service delivery across the organisation				
Review and implement improvements to the retail management systems at Council's Tourism Business Units. (4.9.1)	On Track	Completed		
Scope the requirements of customer service software to contribute to a corporate system for reporting and monitoring of performance measures. (4.9.2)	On Track	Completed		
Review Dog and Cat Policy and related Standard Operating Procedures. (4.9.3)	On Track	Completed		
Undertake a test and review of Council's Business Continuity Plan to ensure that the plan can provide for the uninterrupted availability of all key resources supporting essential business facilities in the event of an emergency or disaster. (4.9.4)	On Track	Completed		
FINANCIAL AND OPERATIONAL SUSTAINABILITY				
4.10 Undertake long term financial planning				
4.11 Manage Council's financial assets to improve financial sustainability				
Conduct rating "health check" to review compliance and best practice application. (4.11.1)	On Track	Completed		
Review and consolidate Council's financial policies. (4.11.2)	On Track	Completed		
Conduct review and implementation of internal control measures in line with the Better Practice Model. (4.11.3)	On Track	Completed		
Undertake a strategic review of Council properties and update relevant Community Land Management Plans. (4.11.4)	Not on Track	10%	Capacity	Related to staff/resource numbers
4.12 Continue infrastructure and asset management planning				
Implement Council's Ten Year Plant Replacement Program.(4.12.1)	On Track	Completed		
Conduct condition assessment and revaluation of open space assets. (4.12.2)	On Track	Completed		
Incorporate open space assets into Council's Asset Management System. (4.12.3)	On Track	Completed		
Undertake financial incorporation into the Asset Management System of buildings, open space and artworks. (4.12.4)	Not on Track	80%	Capacity	Related to staff/resource numbers
Train and prepare two of the newly acquired horse stock for service at the Horse Drawn Tram. (4.12.5)	On Track	Completed		
Undertake restoration and refurbishment of Horse Tram #4. (4.12.6)	Cancelled	N/A	Other	
4.13 Investigate and develop opportunities to diversify Council's income stream to reduce reliance on ratepayers for services and operations				
Research and trial opportunities for advertising and sale of local/regional produce, and local/regional tourism attractions and operators. (4.13.1)	On Track	Completed		
Explore and develop marketing opportunities and delivery options for the education programs at the SA Whale Centre. (4.13.2)	On Track	Completed		
Review options for most effective use and floor design of the public computer/lounge area at the Visitor Information Centre. (4.13.3)	On Track	Completed		
4.14 Assess opportunities within an effective risk management framework				
Establish a strategic and operational risk management reporting system. (4.14.1)	On Track	Completed		

Key Planned Activity	Status	% Complete	Causative Factor (only if not on track)	Definition (only if not on track)
ORGANISATIONAL DEVELOPMENT AND WORKFORCE				
4.15 Provide a safe and healthy workplace				
Review and maintain a document control system to meet the requirements of the LGA One System OHS&W Management System. (4.15.1)	On Track	Completed		
Review staff induction processes. (4.15.2)	On Track	Completed		
Improve access to Work Health and Safety documents on Council's shared data site. (4.15.3)	On Track	Completed		
Complete organisational hazard risk assessments. (4.15.4)	Not on Track	80%	Timeline	Forecast timelines ambitious
Install roof maintenance access walkways to Civic Centre roof. (4.15.5)	On Track	Completed		
4.16 Develop an adaptable, skilled and satisfied workforce				
Develop a data base for staff training, with linkages to WH&S, personal and professional development, and specific job requirements. (4.16.1)	Not on Track	80%	Timeline	Forecast timelines ambitious
Provide apprenticeships, traineeships and work experience opportunities. (4.16.2)	On Track	Completed		
Offer staff health assessments, skin cancer screenings, weight control programs, and back care programs. (4.16.3)	On Track	Completed		
Prepare a training needs analysis for each Council position type. (4.16.4)	Not on Track	80%	Timeline	Forecast timelines ambitious
Promote the Healthy Lifestyle Program to staff. (4.16.5)	On Track	Completed		
Develop finance induction training for new staff. (4.16.6)	On Track	Completed		
4.17 Plan for the workforce needs for the future				
Prepare a workforce plan, including career and succession planning, to compliment Council's Strategic Management Plan. (4.17.1)	Not on Track	50%	Capacity	Related to staff/resource numbers
4.18 Apply appropriate technology and information systems that enhance service delivery and efficiencies				
Renew and maintain ICT hardware on a regular basis, including Council's data network, storage infrastructure and desk top computers to reduce the chance of failure, to increase up-time, and maintain a fleet of hardware under warranty. (4.18.1)	On Track	Completed		
Continue to investigate opportunities to implement fibre optic cabling between Council sites in a cost effective manner. (4.18.2)	On Track	Completed		
Implement e-pay slips to increase payroll efficiencies.(4.18.3)	On Track	Completed		
Implement priority ICT items within Council's 10 Year Capital Works Program, including a Council intranet to improve internal communications, a SQL server to allow greater data sharing across applications, and creating efficiencies for Council's mobile workforce. (4.18.4)	Not on Track	80%	Capacity	Loss of capacity through turnover, illness, leave, etc.
Investigate Council's telecommunications needs and implement improvements for service delivery in areas such as broadband, PABX and mobile devices. (4.18.5)	Not on Track	80%	Other	Failure of contractor/consultant to meet expected outcomes
Determine ICT service standards and service delivery needs across the organisation in order to develop an Information and Communications Technology Business Plan. (4.18.6)	On Track	Completed		
Investigate and implement a new, more cost effective, long term storage solution for Council records. (4.18.7)	On Track	Completed		
4.19 Develop planning, business and resource management processes to support continuous improvement, innovation and excellent service delivery				
Undertake a Records Section service level review. (4.19.1)	On Track	Completed		
Undertake an Economic and Tourism Development Section service level review. (4.19.2)	Not on Track	90%	Capacity	Under estimation of workload against available staff resources
Undertake a service review of Council's parks and gardens service area. (4.19.3)	On Track	Completed		
Undertake a service review of Council's roads service area. (4.19.4)	Not on Track	80%	Timeline	Forecast timelines ambitious
Develop and implement a Project Management Framework, including processes, procedures and strategies to support cross departmental approaches to project management. (4.19.5)	Not on Track	60%	Capacity	Related to staff/resource numbers

Appendix 2

Strategic Indicators

Indicator	Measure	Trend/Target	2013/14 Target	2013/14 Result
Objective 1: A strong economy and supportive business environment				
Business Investment	Number of businesses (internal data)	Maintain at current level or increase	1,000 or more	1,126
Workforce Population	Workforce participation (DEEWR Survey)	Maintain at current level or increase	44% or higher	Not available 2013/14
	% population unemployed (DFEEST data)	Maintain at current level or decrease	7.5% or lower	8.9%
	Number of people employed in local businesses (internal database)	Maintain at current level or increase	5,000 or more	5,161
Proportion of permanent residents	% occupied dwellings (Census data)	71% or greater	Not available in 2013/14	Target not set
Road, cycle and pedestrian networks	Asset/Infrastructure Management Index (Local Government CPM index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Objective 2: The sustainable provision of physical infrastructure and community services				
Effective management of urban growth	Planning and Development Control Index (Local Government CPM index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Stormwater and wastewater reuse	Quantity of stormwater and wastewater reused by Council (Internal Council data)	Maintain at current level or increase	20,000 kL	23,240 kL
Waste collection and disposal	Waste Collection and Disposal index (Local Government CPM index)	Continual improvement	2012/13 level or increase	Not available 2013/14
Perceptions of safety and security	Safety and Security Index (Local Government CPM Index)	Continual improvement	2013/13 level or higher	Not available 2013/14
Provision of parks, reserves and open space	Providing and maintaining sporting facilities, parks, gardens, reserves and open space (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Provision of community meeting places	Providing and maintaining community halls and cultural buildings (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Provision of disability access and information services	Providing and maintaining facilities for the aged, disabled and special needs groups (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Health and community services	Health Services Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Providing services and facilities	Council Services (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14

Indicator	Measure	Trend/Target	2013/14 Target	2013/14 Result
Objective 3 : Environment and lifestyle protected against the pressures of projected population growth				
Safeguarding ecological values and biodiversity	Environmental management Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Addressing the impacts of climate change	% buildings with solar panels (Council data - biannual)	43% or greater	Not available in 2013/14	Target not set 2013/14
Community involvement	% people who volunteer (ABS Census data)	28% or greater	Not available in 2013/14	Target not set 2013/14
	Libraries and library services index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Accessibility to goods, services, amenities and facilities	Quality of life index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Objective 4: Leadership, service delivery and organisational management that underpins our strategic directions				
Community participation in local government	Proportion of eligible voters voting in general Council elections (State Electoral Commission)	Maintain at current level or increase	Not applicable in 2013/14	Target not set
Engaging with the community	Community Consultation Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Decision making	Investigations by the Ombudsman identifying deficiencies in administration / governance (internal data and Ombudsman's Annual Report)	Continual improvement	No investigations	No investigations
	Good Governance Assessment Audit (Internal - Local Government Association of SA)	Rating score of "Good" or better	Rating score of "Good" or better	Not available 2013/14
Awareness of long term and strategic objectives	Strategic Objectives Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available in 2013/14
Access to Council information, documents and meetings	Public Access to Information Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available in 2013/14
Customer service satisfaction	Customer Service Index (Local Government CPM Index)	Continual improvement	2012/13 level or higher	Not available 2013/14
Financial sustainability	Operating surplus ratio	0% or greater	0% or greater	5.1%
	Net Financial Liabilities Ratio (Council annual financial statements)	75% or less	80.7% or less	55.6%
Asset sustainability	Asset Sustainability Ratio (Council annual financial statements)	Average of 80% over any 3 year period	78.9% or greater	73.4%
Safe and healthy workplace	Number of lost time claim injuries (WH&S Injury Management Statistics)	WH&S Injury Management Benchmark or better	3 or less	3
	Compliance with WH&S Risk Management Legislation (WH&S Self Audits, LG Workers Compensation Scheme KPI Audits, WorkCover Audits)	Maintain exempt employer status	Exempt employer status maintained	Status maintained

The City of Victor Harbor is committed to providing high quality, value for money services for our community.



Appendix 3: 2013/14 Financial Statements

CITY OF VICTOR HARBOR

ANNUAL FINANCIAL STATEMENTS

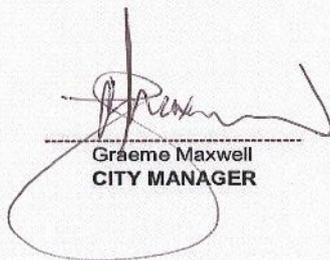
for the year ended 30 June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

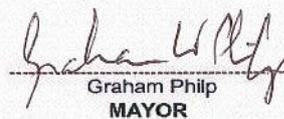
We have been authorised by the Council to certify the financial statements in their final form.

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 2014 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.



Graeme Maxwell
CITY MANAGER



Graham Philp
MAYOR

Date: 13 October 2014

CITY OF VICTOR HARBOR

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
INCOME			
Rates	2	17,468	16,160
Statutory charges	2	426	418
User charges	2	2,086	2,063
Grants, subsidies and contributions	2	1,203	1,270
Investment income	2	178	218
Reimbursements	2	591	391
Other income	2	434	280
Net gain - equity accounted Council businesses	19	40	12
Total Income		22,426	20,812
EXPENSES			
Employee costs	3	7,899	7,212
Materials, contracts & other expenses	3	7,788	7,558
Depreciation, amortisation & impairment	3	4,995	4,984
Finance costs	3	869	948
Total Expenses		21,551	20,702
OPERATING SURPLUS / (DEFICIT)		875	110
Asset disposal & fair value adjustments	4	(3,460)	(1,067)
Amounts received specifically for new or upgraded assets	2	664	298
Physical resources received free of charge	2	69	670
NET SURPLUS / (DEFICIT)		(1,852)	11
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	19,652	8,188
Total Other Comprehensive Income		19,652	8,188
TOTAL COMPREHENSIVE INCOME		17,800	8,199

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

CITY OF VICTOR HARBOR
STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

ASSETS	Notes	2014 \$'000	2013 \$'000
Current Assets			
Cash and cash equivalents	5	3,308	2,435
Trade & other receivables	5	998	1,300
Inventories	5	302	250
Total Current Assets		<u>4,608</u>	<u>3,985</u>
Non-current Assets			
Financial assets	6	845	715
Equity accounted investments in Council businesses	6	172	132
Infrastructure, property, plant & equipment	7	256,038	238,926
Other non-current assets	6	344	1,268
Total Non-current Assets		<u>257,399</u>	<u>241,041</u>
Total Assets		<u>262,007</u>	<u>245,026</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,973	1,769
Borrowings	8	1,271	1,378
Provisions	8	1,798	1,671
Total Current Liabilities		<u>5,042</u>	<u>4,818</u>
Non-current Liabilities			
Borrowings	8	11,495	12,537
Provisions	8	891	892
Total Non-current Liabilities		<u>12,386</u>	<u>13,429</u>
Total Liabilities		<u>17,428</u>	<u>18,247</u>
NET ASSETS		<u>244,579</u>	<u>226,779</u>
EQUITY			
Accumulated Surplus		52,816	55,134
Asset Revaluation Reserves	9	189,815	170,163
Other Reserves	9	1,948	1,482
TOTAL EQUITY		<u>244,579</u>	<u>226,779</u>

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

CITY OF VICTOR HARBOR

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

2014	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		55,134	170,163	1,482	226,779
Adjustment to give effect to changed accounting policies					-
Restated opening balance		55,134	170,163	1,482	226,779
Net Surplus / (Deficit) for Year		(1,852)	-	-	(1,852)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment	9	-	19,652	-	19,652
Transfers between reserves	9	(466)	-	466	-
Balance at end of period		52,816	189,815	1,948	244,579

2013	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		54,392	161,975	2,213	218,580
Restated opening balance		54,392	161,975	2,213	218,580
Net Surplus / (Deficit) for Year		11	-	-	11
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	8,188	-	8,188
Transfers between reserves	9	731	-	(731)	-
Balance at end of period		55,134	170,163	1,482	226,779

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

CITY OF VICTOR HARBOR
STATEMENT OF CASH FLOWS
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts		22,426	19,779
Investment receipts		178	218
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(15,390)	(13,780)
Finance payments		(872)	(948)
Net Cash provided by (or used in) Operating Activities	11	<u>6,342</u>	<u>5,269</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		664	298
Sale of replaced assets		219	209
Sale of surplus assets		-	23
Repayments of loans by community groups		145	85
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,090)	(2,770)
Expenditure on new/upgraded assets		(2,028)	(2,884)
Loans made to community groups		(230)	(70)
Net Cash provided by (or used in) Investing Activities		<u>(4,320)</u>	<u>(5,109)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		230	-
<u>Payments</u>			
Repayments of borrowings		(1,379)	(1,294)
Net Cash provided by (or used in) Financing Activities		<u>(1,149)</u>	<u>(1,294)</u>
Net Increase (Decrease) in cash held		<u>873</u>	<u>(1,134)</u>
 Cash & cash equivalents at beginning of period	11	<u>2,435</u>	<u>3,569</u>
Cash & cash equivalents at end of period	11	<u><u>3,308</u></u>	<u><u>2,435</u></u>

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Victor Harbor is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1 Bay Road, Victor Harbor. 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.

3 Income recognition

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes.

Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$136,573 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$287,185; and in June 2013, again two quarters of the 2013/14 allocation: \$294,423.

No advance payments were received in 2013/14.

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - 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 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

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

The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

6.3 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 in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

Other Infrastructure comparative 12/13 figures have been adjusted to recognise at cost rather than fair value.

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

6.5 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 shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.6 Impairment

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

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

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

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	2.49% (2013 - 2.55%)
Weighted average settlement period	5 Years (2013 - 5 Years)

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

Annual Leave has this year been disclosed under Provisions for the first time due to the new requirements under AASB 119. In previous year, Annual Leave has been disclosed under Trade & Other Payables. Comparative information has been amended for comparability purposes and this has resulted in no change in the comparative financial position or performance of the Council.

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly the Local Government Superannuation Scheme) and other superannuation schemes under the "choice of fund" legislation. 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 Provision for Carbon Taxation

With the closure of Council's landfill in 2012 and the repeal of the carbon tax in July 2014, Council considers that it has no current or likely future liability for this tax.

11 Leases

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

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

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

12 Joint Ventures and Associated Entities

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

13 GST Implications

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

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

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

AASB 7 - Financial Instruments – Disclosures
AASB 9 - Financial Instruments
AASB 10 - Consolidated Financial Statements
AASB 11 - Joint Arrangements
AASB 12 - Disclosure of Interests in Other Entities
AASB 127 - Separate Financial Statements
AASB 128 - Investments in Associates and Joint Ventures
AASB 132 - Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6, AASB 2012-10, AASB 2013-3, AASB 2013-8 and AASB 2013-9.

AASB13 - *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. The hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. Further disclosure on AASB13 is shown in *Note 7*.

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

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

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

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	Notes	2014 \$'000	2013 \$'000
RATES REVENUES			
<u>General Rates</u>		17,248	15,900
Less: Mandatory rebates		(151)	(103)
Less: Discretionary rebates, remissions & write offs		(47)	(51)
		17,050	15,746
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		353	336
		353	336
<u>Other Charges</u>			
Penalties for late payment		50	51
Legal & other costs recovered		15	27
		65	78
		17,468	16,160
STATUTORY CHARGES			
Development Act fees		67	61
Town planning fees		122	124
Health & Septic Tank Inspection fees		6	9
Animal registration fees & fines		72	75
Parking fines / expiation fees		99	90
Search Fees		43	35
Sundry		2	5
Other licences, fees, & fines		15	19
		426	418
USER CHARGES			
Cemetery Fees		69	108
Caravan Park		239	273
Community Transport		116	123
Horse Drawn Tram		421	380
Recreation Centre		61	66
Parking Fees		106	111
Whale Centre		193	171
Tourism Marketing & Sales		643	603
Other Leases, Hire & Rentals		209	189
Sundry		29	39
		2,086	2,063
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		120	146
Banks & other		7	9
Loans to community groups		51	63
		178	218
REIMBURSEMENTS			
Council Contributions		436	248
Employee Reimbursements		19	14
Private Works		5	6
Utilities, Insurance and Cleaning		68	83
Other		63	40
		591	391

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

NOTE 2 - INCOME (continued)

	Notes	2014 \$'000	2013 \$'000
OTHER INCOME			
Community Services		18	22
Donations and Contributions		47	26
Workers Compensation Premium/Claims		134	153
Insurance Claims		38	35
Tourism and Culture		10	9
Sundry		187	35
		<u>434</u>	<u>280</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		664	298
Individual Significant Item - additional Grants Commission Payment		-	294
Other grants, subsidies and contributions		1,203	976
		<u>1,867</u>	<u>1,568</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		1,089	991
State government		520	549
Other		258	28
		<u>1,867</u>	<u>1,568</u>
Conditions over grants & contributions			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Fleurieu Regional Aquatic Centre		300	-
	Subtotal	<u>300</u>	<u>-</u>
Unexpended at the close of this reporting period		<u>300</u>	<u>-</u>
Net increase (decrease) in assets subject to conditions in the current reporting period		<u>300</u>	<u>-</u>
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Footpaths		2	8
Sealed Roads		29	252
Stormwater		22	281
Kerbing		16	129
TOTAL PHYSICAL RESOURCES RECEIVED		<u>69</u>	<u>670</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$'000	2013 \$'000
EMPLOYEE COSTS			
Salaries and Wages		6,326	5,890
Employee leave expense		795	690
Superannuation - defined contribution plan contributions	18	446	407
Superannuation - defined benefit plan contributions	18	174	163
Workers' Compensation Insurance		308	312
Other		133	100
Less: Capitalised and distributed costs		(283)	(350)
Total Operating Employee Costs		7,899	7,212
Total Number of Employees		98	95
<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		14	13
Elected members' expenses		167	178
Election expenses		3	-
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments	17	140	130
Subtotal - Prescribed Expenses		324	321
<u>Other Materials, Contracts & Expenses</u>			
Materials		913	949
Energy and Water		674	635
Professional services		395	325
External Plant Hire		86	38
Insurances		306	475
Waste Services		1,186	1,192
Legal Expenses		154	170
Levies paid to government - NRM levy		354	336
- Other Levies		10	10
Advertising		83	72
Information and Communications		178	212
Donations and Contributions		46	226
Rates and taxes		55	58
Regional Board Contributions		74	62
Street Cleaning		88	78
Tourism/Culture and Economic Development		493	657
Environmental Projects		257	58
Community Service Projects		575	419
Asset Maintenance		857	710
Sundry		680	555
Subtotal - Other Materials, Contracts & Expenses		7,464	7,237
		7,788	7,558

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES (cont)

	Notes	2014 \$'000	2013 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures - Level 2		84	-
Buildings & Other Structures - Level 3		819	849
Roads		1,867	1,918
Kerbing		207	200
Footpaths		135	124
Bridges		253	235
Stormwater Drainage		317	284
Open Space		300	369
Carparks & Traffic		137	82
Other Infrastructure		176	177
Plant & Equipment		468	516
Furniture & Fittings		105	103
Artworks		-	-
Library books		127	127
		<u>4,995</u>	<u>4,984</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		8	6
Interest on Loans		861	942
		<u>869</u>	<u>948</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2014 \$'000	2013 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	219	209
Less: Carrying amount of assets sold*	<u>3,679</u>	<u>1,219</u>
Gain (Loss) on disposal	<u>(3,460)</u>	<u>(1,010)</u>
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	-	23
Less: Carrying amount of assets sold	<u>-</u>	<u>80</u>
Gain (Loss) on disposal	<u>-</u>	<u>(57)</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(3,460)</u>	 <u>(1,067)</u>

*** Individually significant item**

During a review of assets included in 'Other Infrastructure', duplicated assets totalling \$2.7m were identified in the Causeway Plaza. This has now been rectified and included in the the 'Carrying amount of assets sold' figure above.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 - CURRENT ASSETS

	Notes	2014 \$'000	2013 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		587	299
Deposits at Call		<u>2,721</u>	<u>2,136</u>
		<u>3,308</u>	<u>2,435</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		539	441
Rates postponed for State Seniors		12	7
Accrued Revenues		30	30
Debtors - general		76	140
Other levels of Government		199	268
GST Recoupment		9	27
Prepayments		33	302
Loans to community organisations		<u>100</u>	<u>85</u>
		<u>998</u>	<u>1,300</u>
INVENTORIES			
Stores & Materials		264	225
Trading Stock		<u>38</u>	<u>25</u>
		<u>302</u>	<u>250</u>

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS			
Receivables			
Loans to community organisations		<u>845</u>	<u>715</u>
TOTAL FINANCIAL ASSETS		<u>845</u>	<u>715</u>
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
<i>Fleurieu Regional Waste Authority</i>	19	<u>172</u>	<u>132</u>
		<u>172</u>	<u>132</u>
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		<u>344</u>	<u>1,268</u>
		<u>344</u>	<u>1,268</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2013 \$'000				2014 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land - community	2	45,795	794	-	46,589	45,795	794	-	46,589
Buildings & Other Structures	2	5,835	-	(5,205)	630	730	-	(84)	646
Buildings & Other Structures	3	46,310	127	(18,271)	28,166	46,345	-	(13,876)	32,469
Roads	3	85,672	-	(19,316)	66,356	92,936	-	(15,917)	77,019
Kerbing	3	19,109	-	(2,954)	16,155	20,353	-	(5,189)	15,164
Footpaths	3	7,078	-	(1,408)	5,670	9,783	-	(2,510)	7,273
Bridges	3	28,728	-	(6,781)	21,947	28,686	-	(6,998)	21,688
Stormwater Drainage	3	40,736	-	(7,243)	33,493	40,556	2,049	(7,513)	35,092
Open Space	3	9,897	-	(4,771)	5,126	10,744	-	(3,296)	7,448
Carparks & Traffic	3	6,266	-	(1,304)	4,962	6,306	330	(1,545)	5,091
Other Infrastructure	3	-	5,751	(1,101)	4,650	-	2,801	(999)	1,802
Plant & Equipment		-	6,185	(2,954)	3,231	-	6,854	(2,997)	3,857
Furniture & Fittings		-	1,871	(663)	1,208	-	1,912	(769)	1,143
Artworks		277	-	-	277	277	-	-	277
Library books		880	-	(414)	466	893	-	(413)	480
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		296,583	14,728	(72,385)	238,926	303,404	14,740	(62,106)	256,038
<i>Comparatives</i>		<i>280,745</i>	<i>13,681</i>	<i>(62,692)</i>	<i>231,734</i>	<i>296,583</i>	<i>14,728</i>	<i>(72,385)</i>	<i>238,926</i>

	2013 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2014 \$'000	
		CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation
			New/Upgrade	Renewals						
Land - community	46,589	-	-	-	-	-	-	-	46,589	
Buildings & Other Structures	630	100	-	-	(84)	-	-	-	646	
Buildings & Other Structures	28,166	47	70	-	(819)	-	-	5,005	32,469	
Roads	66,356	252	863	(234)	(1,867)	-	-	11,649	77,019	
Kerbing	16,155	88	203	(59)	(207)	-	-	(1,017)	15,163	
Footpaths	5,670	987	108	(81)	(135)	-	-	724	7,273	
Bridges	21,947	15	96	(117)	(253)	-	-	-	21,688	
Stormwater Drainage	33,493	1,024	1,025	(117)	(317)	-	-	(17)	35,091	
Open Space	5,126	-	-	-	(300)	-	-	2,622	7,448	
Carparks & Traffic	4,962	214	117	(59)	(137)	-	-	(5)	5,092	
Other Infrastructure	4,650	-	29	(2,701)	(176)	-	-	-	1,802	
Plant & Equipment	3,231	93	1,312	(311)	(468)	-	-	-	3,857	
Furniture & Fittings	1,208	17	24	-	(105)	-	-	-	1,144	
Artworks	277	-	-	-	-	-	-	-	277	
Library books	466	90	-	-	(127)	-	-	51	480	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	238,926	2,927	3,847	(3,679)	(4,995)	-	-	19,012	256,038	
<i>Comparatives</i>	<i>231,734</i>	<i>2,682</i>	<i>2,605</i>	<i>(1,299)</i>	<i>(4,984)</i>	<i>-</i>	<i>-</i>	<i>8,188</i>	<i>238,926</i>	

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

Valuation of Assets

General Valuation Principles

Accounting procedure: 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, fair value is taken to be the current replacement cost.

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: 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.

As a result of the introduction of AASB 13, Building assets that have been remeasured to Market Value (Level 2) as at 1 July 2013 have resulted in an immaterial change to the valuation and depreciation of these assets.

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

Fair value hierarchy level 2 valuations of land: 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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves: The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate. The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council. This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Capitalisation thresholds: Used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Buildings	\$10,000	Reserve Furniture & Equipment	\$500
Roads, Drainage & Other Infrastructure	\$10,000	Minor Plant & Loose Tools	\$500
Plant & Machinery	\$5,000	Office Furniture & Equipment	\$500

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Building & Other Structures	10 to 100 years	Park Furniture	20 to 40 years
Sealed Roads - Surface	16 to 30 years	Playground Equipment	15 to 50 years
Sealed Roads - Base	50 to 60 years	Walkways and Trails	15 to 30 years
Unsealed Roads	10 to 15 years	Major Plant & Machinery	2 to 20 years
Kerbing	60 to 70 years	Fleet	2 to 6 years
Footpaths	30 to 50 years	ICT Equipment	2 to 10 years
Bridges - Concrete	80 to 100 years	Office Furniture	5 to 10 years
Traffic Devices	20 to 45 years	Library Books	2 to 7 years
Stormwater Drainage	80 to 100 years	Artworks	Indefinite

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

Valuation of Assets (continued)

Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost

Buildings & Other Structures

Buildings and other structures (excluding open space structures) were revalued as at 1 July 2013 by Maloney Field Services utilising the Market Approach or the Cost Approach. The factors considered in selecting the appropriate valuation technique include whether the underlying land is designated Community Land or Excluded/Revoked from Community Land status, together with other factors which determine whether highest and best use of the property is the current use that would maximise the value of the asset.

Infrastructure

Bridge assets were valued at written down replacement costs by Assetic Pty Ltd as at June 30 2013.
The next scheduled valuation of these assets is to be undertaken in 2014/15.

Stormwater assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2013.
The next scheduled valuation of these assets is to be undertaken in 2014/15.

Carpark & Traffic Control assets were valued at written down replacement cost by Assetic Pty Ltd as at 30 June 2013.
The next scheduled valuation is to be undertaken in 2014/15.

Road assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2014.
The next scheduled valuation is to be undertaken in 2015/16.

Kerb assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2014.
The next scheduled valuation is to be undertaken in 2015/16.

Footpath Assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2014.
The next scheduled valuation is to be undertaken in 2015/16.

Open Space assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2014.
The next scheduled valuation is to be undertaken in 2015/16.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.
These materials are valued annually by the Library Manager using Public Library Services standard costs.

Artworks were last independently valued by Theodore Bruce Auctions as at 30 June 2010.
The next scheduled valuation of these assets is to be undertaken in 2014/15.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - LIABILITIES

	Notes	2014 \$'000		2013 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,148	-	1,287	-
Payments received in advance		371	-	28	-
Accrued expenses - other		397	-	399	-
Deposits, Retentions & Bonds		57	-	55	-
		<u>1,973</u>	<u>-</u>	<u>1,769</u>	<u>-</u>
BORROWINGS					
Loans		1,271	11,495	1,378	12,537
		<u>1,271</u>	<u>11,495</u>	<u>1,378</u>	<u>12,537</u>

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

PROVISIONS

Short Term Provisions

Long Service Leave	782	149	647	179
Annual Leave	976	-	984	-
Landfill Depot Remediation Liability	40	742	40	713
	<u>1,798</u>	<u>891</u>	<u>1,671</u>	<u>892</u>

Movements in Provisions - 2014 year only (current & non-current)

	Long Service Leave Provision	Annual Leave Provision	Landfill Post Closure Remediation
Opening Balance	826	984	753
(Less) Payments	-	-	(29)
Add (Less) Remeasurement Adjustments	105	(8)	58
Closing Balance	<u>931</u>	<u>976</u>	<u>782</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2013	Net Increments (Decrements)	Transfers, Impairments	30/6/2014
Notes	\$'000	\$'000	\$'000	\$'000
Land - community	32,557	-	-	32,557
Buildings & Other Structures	18,615	5,106	-	23,721
Roads	53,237	11,823	-	65,060
Kerbing	8,262	(1,018)	-	7,244
Footpaths	4,178	1,499	-	5,677
Bridges	16,772	-	-	16,772
Stormwater Drainage	25,100	54	-	25,154
Open Space	4,335	2,137	-	6,472
Carparks & Traffic	4,711	1	-	4,712
Other Infrastructure	1,498	-	-	1,498
Artworks	109	-	-	109
Library books	789	50	-	839
TOTAL	170,163	19,652	-	189,815
<i>Comparatives</i>	<i>161,975</i>	<i>8,188</i>	<i>-</i>	<i>170,163</i>

OTHER RESERVES	1/7/2013	Transfers to Reserve	Transfers from Reserve	30/6/2014
Car Park Development	383	7	-	390
Developers Contributions	437	23	(97)	363
Economic Development	361	263	(250)	374
Open Space	270	233	(14)	489
Renewable Energy	31	1	-	32
Major Unspent Projects	-	552	(252)	300
TOTAL OTHER RESERVES	1,482	1,079	(613)	1,948
<i>Comparatives</i>	<i>2,213</i>	<i>238</i>	<i>(969)</i>	<i>1,482</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Car Park Development

Developer contributions used for planning, design and construction of car parking facilities.

Developer Contributions

Developer contributions used for the construction of footpaths, drainage and other infrastructure.

Economic Development

From Commercial/Industrial rates and used for economic development including tourism promotion.

Renewable Energy

Contributions from solar program participants and contractors - used for future renewable energy initiatives.

Major Unspent Grants

Major Grants received for application in future years.

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

There were no assets subject to restrictions requiring disclosure.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Performance as follows:

	Notes	2014 \$'000	2013 \$'000
Total cash & equivalent assets	5	<u>3,308</u>	<u>2,435</u>
Balances per Cash Flow Statement		<u>3,308</u>	<u>2,435</u>

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

Net Surplus (Deficit)	(1,852)	11
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	4,995	4,984
Equity movements in equity accounted investments (increase) decrease	(40)	(12)
Net increase (decrease) in unpaid employee benefits	-	-
Premiums & discounts recognised & unwound	-	-
Non-cash asset acquisitions	(69)	(670)
Grants for capital acquisitions treated as Investing Activity	(664)	(298)
Net (Gain) Loss on Disposals	<u>3,460</u>	<u>1,067</u>
	<u>5,830</u>	<u>5,082</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	302	(217)
Net (increase) decrease in inventories	(52)	7
Net increase (decrease) in trade & other payables	(204)	470
Net increase (decrease) in other provisions	<u>466</u>	<u>(73)</u>
Net Cash provided by (or used in) operations	<u>6,342</u>	<u>5,269</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	<u>69</u>	<u>670</u>
		<u>69</u>	<u>670</u>

(d) Financing Arrangements

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

Bank Overdrafts	-	100
Corporate Credit Cards	20	17
LGFA Cash Advance Debenture facility	13,000	10,000

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

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2014	2013	2014	2013
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Business Undertakings	871	847	788	855	83	(8)	-	5	9,084	9,007
Community Services	1,266	892	1,784	1,492	(518)	(600)	536	322	8,862	7,834
Culture	98	98	723	903	(625)	(805)	45	47	3,789	3,485
Economic Development	726	680	1,309	1,234	(583)	(554)	5	5	54	51
Environment	125	110	2,923	3,073	(2,798)	(2,963)	69	65	46,876	42,546
Recreation	142	167	757	1,571	(615)	(1,404)	-	6	38,746	37,009
Regulatory Services	429	431	1,471	1,507	(1,042)	(1,076)	-	-	19	15
Transport & Communication	187	195	3,012	3,143	(2,825)	(2,948)	176	-	114,484	113,653
Plant Hire & Depot/Indirect	77	95	1,742	405	(1,665)	(310)	-	-	4,913	3,938
Unclassified Activities	218	286	1,284	1,170	(1,066)	(884)	-	-	14,840	11,899
Council Administration	232	235	5,758	5,349	(5,526)	(5,114)	-	12	19,879	15,210
Revenue	18,015	16,764	-	-	18,015	16,764	372	808	461	379
TOTALS	22,386	20,800	21,551	20,702	835	98	1,203	1,270	262,007	245,026

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.

Business Undertakings

Caravan Park, Private Works, Horse Tram and Whale Centre.

Community Services

Crime Prevention, Fire Prevention, Health Services, Senior Citizens, Community Assistance, Community Service Projects, Aged Services, Community Transport, Cemeteries, Public Conveniences, Car Parking.

Culture

Library, Town Hall and Other Cultural Services.

Economic Development

Tourism Marketing, Visitor Information Centre and Other Economic Development.

Environment

Waste Collection, Waste Disposal, Coastal Protection, Environment Projects, Natural Resources Management, Stormwater Drainage, Street Cleaning, Street Lighting and Streetscaping.

Recreation

Parks and Gardens, Outdoor and Indoor Sports Facilities.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Health Inspection, Parking Control and Other Regulatory Services.

Transport

Sealed and Unsealed Roads, Kerbing, Footpaths, Bridges, Traffic Control and Community Bus.

Plant, Depot and Indirect

Plant and Machinery, Depot and Indirect Works.

Unclassified Activities

Other Property, Loans and Interest.

Council Administration

Administration NEC, Elected Members, organisational, Accounting, Rates Administration, Payroll, Human Services, Information Technology, Communication, Records, Occupancy and Customer Service.

Revenue

General Rates, Separate Rates, LG Grants Commission.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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.
	Terms & conditions: Deposits are returning fixed interest rates between 2.2% and 2.7% (2013: 2.75% and 3%).
	Carrying amount: approximates fair value due to the short term to maturity.
Receivables: Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Secured over the subject land, arrears attract interest of 8% (2012: 8.5%) Although 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. Although 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).
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.
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.
Liabilities: Interest Bearing Borrowings	Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.
	Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.05% and 7.3% (2013: 5.05% and 7.3%)
	Carrying amount: approximates fair value.
Liabilities: Finance Leases	Accounting Policy: accounted for in accordance with AASB 117.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	3,308			3,308	3,308
Receivables	998			998	447
Other Financial Assets	-	465	380	845	845
Total	4,306	465	380	5,151	4,600
Financial Liabilities					
Payables	1,973			1,973	1,576
Current Borrowings	2,075			2,075	1,271
Non-Current Borrowings	-	9,006	5,027	14,033	11,495
Total	4,048	9,006	5,027	18,081	14,342

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	2,435			2,435	2,435
Receivables	1,300			1,300	1,297
Other Financial Assets	-	509	206	715	715
Total	3,735	509	206	4,450	4,447
Financial Liabilities					
Payables	2,753			2,753	1,370
Current Borrowings	2,257			2,257	1,378
Non-Current Borrowings	-	10,966	4,796	15,762	12,537
Total	5,010	10,966	4,796	20,772	15,285

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

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft				-
Other Variable Rates				-
Fixed Interest Rates	6.28	12,766	6.47	13,915
		<u>12,766</u>		<u>13,915</u>

Net Fair Value

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

Risk Exposures

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

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

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

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

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 14 - COMMITMENTS FOR EXPENDITURE

	2014	2013
	\$'000	\$'000
Capital Commitments	<u>Notes</u>	

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

The City of Victor Harbor at the time of preparing the financial statements have entered into a joint project with Alexandrina Council to construct a Regional Aquatic Centre.

No Capital Commitments have been entered into as at 30 June 2014.

Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties:

Audit Services	15	28
Employee Remuneration Contracts	2,437	2,336
Street Sweeping	276	368
Asset Maintenance	155	228
Library Systems	-	124
Security Services	237	-
	<u>3,120</u>	<u>3,084</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 15 - FINANCIAL INDICATORS

	2014	2013	2012
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	5.1%	0.7%	0.0%
Rates - general & other less NRM levy			

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

Adjusted Operating Surplus Ratio

	6.8%	0.7%	(1.0%)
--	------	------	--------

*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	55.6%	67.4%	72.4%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	73.4%	51.4%	46.0%
Infrastructure & Asset Management Plan required expenditure	3,909	*	*

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

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2014 \$'000	2013 \$'000
Income	22,426	20,812
less Expenses	<u>21,551</u>	<u>20,702</u>
Operating Surplus / (Deficit)	875	110
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,090	2,605
Depreciation, Amortisation and Impairment	(4,995)	(4,984)
Proceeds from Sale of Replaced Assets	<u>(219)</u>	<u>(209)</u>
	(2,124)	(2,588)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	2,028	2,682
Amounts received specifically for New and Upgraded Assets	(664)	(298)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(23)
	<u>1,364</u>	<u>2,361</u>
Net Lending / (Borrowing) for Financial Year	<u>1,635</u>	<u>337</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Lessees commitments under all non-cancellable lease agreements are as follows:

	2014 \$'000	2013 \$'000
Not later than one year	355	306
Later than one year and not later than 5 years	1,159	1,122
Later than 5 years	2,165	2,362
	<u>3,679</u>	<u>3,790</u>

Lease payment commitments of Council

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

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

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

No lease contains any escalation clause.

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

Not later than one year	116	130
Later than one year and not later than 5 years	56	101
Later than 5 years	-	-
	<u>172</u>	<u>231</u>

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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 StatewideSuper (formerly Marketlink) and/or Salarylink. All other employees (including casuals) have all contributions allocated to StatewideSuper.

StatewideSuper (Accumulation Fund) Members

StatewideSuper receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, 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 Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 19 - EQUITY ACCOUNTED COUNCIL BUSINESSES

All equity accounted Council businesses are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Fleurieu Regional Waste Authority

Established by the City of Victor Harbor, Alexandrina Council, District Council of Yankalilla and Kangaroo Island in July 2010, this organisation is responsible for the waste management function across the Fleurieu and Kangaroo Island Council areas.

	2014	2013
	\$'000	\$'000
Council's respective interests are:		
- interest in the operating result	35%	35%
- ownership share of equity	35%	35%
- the proportion of voting power	25%	25%
<u>Movements in Investment in Joint Operation</u>	\$'000	\$'000
Opening Balance	132	120
Share in Operating Result	40	12
Share in Equity of Joint Operation	<u>172</u>	<u>132</u>

Expenditure Commitments

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

<u>Operating Expenditures payable</u>		
Not later than one year	67	77
Later than one year and not later than 5 years	76	104
Later than 5 years	-	-
	<u>143</u>	<u>181</u>

Note 20 - NON-CURRENT ASSETS HELD FOR SALE

There were no non-current assets held for sale requiring disclosure.

CITY OF VICTOR HARBOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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

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

LAND UNDER ROADS

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

At reporting date, Council controlled 384km of road reserves of average width 19.8 metres.

POTENTIAL INSURANCE LOSSES

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

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

BANK GUARANTEES

Council has guaranteed no loans or other banking facilities advanced to community organisations and sporting bodies at reporting date.

LEGAL EXPENSES

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

At the date of these reports, Council had notice of 2 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF VICTOR HARBOR

We have audited the accompanying financial report of the City of Victor Harbor, which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the City Manager for the Financial Report

The City Manager of the City of Victor Harbor 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 Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the City of Victor Harbor as of 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



SAMANTHA ALLARD
PARTNER

Signed on the 15th day of October 2014,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

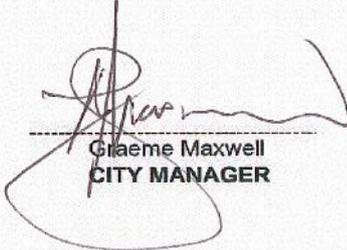
CITY OF VICTOR HARBOR

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2014

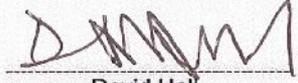
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The City of Victor Harbor for the year ended 30 June 2014, the Council's Auditor, Dean Newberry & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Graeme Maxwell
CITY MANAGER



David Hall
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 13 October 2014

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of Victor Harbor for the year ended 30 June 2014, 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*.



SAMANTHA ALLARD

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 15th day of October 2014

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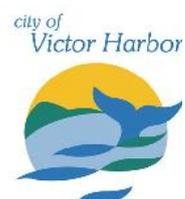
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Annual Report

2013 – 2014



Fleurieu Regional Waste Authority

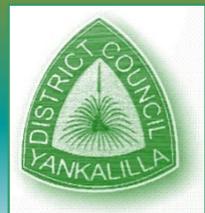
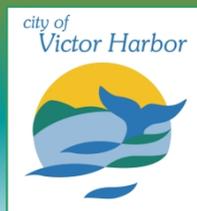
CONSTITUENT COUNCILS:

Alexandrina Council

City of Victor Harbor

Kangaroo Island Council

Yankalilla District Council



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Contents



Fleurieu Regional Waste Authority

About the Authority

WHO WE REPRESENT

The Fleurieu Regional Waste Authority (FRWA) was formed by the member councils of the Fleurieu Peninsula in South Australia in order to manage their waste and recycling. The member councils are:

- Alexandrina Council
- City of Victor Harbor
- Kangaroo Island Council
- District Council of Yankalilla

WHAT WE DO

FRWA provides and operates waste management services on behalf of the four councils. This includes:

- the operation of four Waste and Recycling Depots and four Bulky Waste Stations;
- the provision of waste, recycling and green waste kerbside collection services;
- public litter bin collections;
- event bin provision and collection; and
- the provision of community information and education.

These services are covered by a Service Level Agreement with each Council setting out the Key Performance Indicators (KPI's) that must be achieved and the agreed budgets to deliver the services.

The services are benchmarked against comparable services provided by Local Government and the Private Sector.

OUR HISTORY

In 2007 the Constituent Councils of the Fleurieu Region unanimously adopted the Fleurieu Peninsula Waste Strategy. A key recommendation of the strategy was that if Councils decided to own and operate common assets, then they should establish a Regional Subsidiary pursuant to Section 43 of the Local Government Act, 1999.

The Fleurieu Regional Waste Authority (FRWA) was subsequently established as a regional subsidiary.

The FRWA Charter was approved in January 2010 and gazetted on 11 February 2010. A review and subsequent update was approved and gazetted in August 2012.

THE FUTURE

An important factor going forward for FRWA is to ensure the region has the necessary strategy, infrastructure and planning in place to meet the legislative requirements under the EPA's Environment Protection (Waste to Resources Policy) and the regions population growth.

Education and promotional programs within the community will continue to remain a high priority with community education being based around:

- waste avoidance and reduction;
- recycle right, composting; and
- hazardous waste management.

The Authority commits to its continued support of local and regional businesses and services as their preferred suppliers where possible.

Chairperson's Message

The Fleurieu Regional Waste Authority (FRWA) is charged with the responsibilities of providing sustainable waste and recycling services on behalf of its four Constituent Councils. This includes the operation of four Waste and Recycling Depots (WRD) and the provision of waste, recycling and green waste collection services, public litter and event bins collection for the Constituent Councils. FRWA is also responsible for the delivery of waste education and information across the region, including the education programs for kindergartens and primary schools.



During the past year we have embarked on a number of significant projects with emphasis on a new approach for sustainable and cost effective kerbside collection services for our Constituent Councils.

Integral to all our activities is the engagement with our community and education activities to encourage greater diversion of waste from landfill.

With the support of its Constituent Councils FRWA undertook a Pilot project, trialing the fortnightly collections of general waste, greenwaste and recyclables within a small area, crossing the boundary of Alexandrina Council and City of Victor Harbor, from 2 October 2013 to 22 January 2014.

Three kerbside bin audits were undertaken during the Pilot project to determine the outcomes of the changed schedule and education program in altering behavior and increasing recycling rates. Feedback was sought from stakeholders regarding the effectiveness of the community engagement and education activities undertaken.

The Pilot project allowed issues to be identified and solutions evaluated on a small scale, allowing a strategy to be developed for the successful future introduction of an altered collection schedule across a wider area.

The ambassador for the project, Sophie Thomson from ABC's Gardening Australia and the Sunday Mail attended the official launch of the Pilot. As part of the project, Sophie conducted two composting workshops, with a total of 78 attendees, advocating the diversion of food waste from landfill and raising community awareness of the value of food waste as a resource for improving soils.

Grants from Zero Waste SA assisted greatly to implement further improvements of infrastructure at three of our four Waste and Recycling Depots. The improvements benefited the diversion of waste from landfill, improved on site processing and increased recycling.

FRWA has further developed its professional links to neighbouring councils, regional authorities and commercial business partners to ensure the continuous provision of efficient services for its communities.

In cooperation with the City of Onkaparinga, we selected a new processor for kerbside collected recyclables, allowing for additional materials to be placed in the yellow bin, thus diverted from landfill.

On behalf of the Board of the Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2013/14 financial year and to confirm that the Fleurieu Regional Waste Authority continues to meet its responsibilities under the FRWA Charter in a manner which is both fiscally and environmentally responsible

During 2013/14 there were a number of changes to the Board with the departure of Michael Culley, former senior staff member for Kangaroo Island Council, Jeremy Moller and Peter O'Neil, both elected members for the District Council of Yankalilla and John Tillack a senior staff member for the District Council of Yankalilla. Their input and knowledge was greatly appreciated. Chris Smith, Director Asset Services Kangaroo Island Council, Kim Vivian Environmental Health Officer and Malcolm Schlein elected Member for the District Council of Yankalilla have since been appointed to the Board. They continue the good work with the same enthusiasm and dedication.

I would like to thank my fellow Board members for their continued support and encouragement and I particularly congratulate the Executive Officer, FRWA staff, drivers and Waste and Recycling Depot operators for their hard work and contribution to placing the Authority on such a sound strategic and financial footing to meet the challenges ahead.

**CATHERINE COOPER
INDEPENDENT CHAIRPERSON**

THE BOARD MEMBERS

FRWA is governed by a nine member Board comprising an Independent Chair to govern and lead the Authority and eight other members, made up of an Elected Member and Officer from each Constituent Council.



Catherine Cooper
Independent Chairperson



Kym McHugh
Mayor
Alexandrina Council



Simon Grenfell
General Manager
Engineering & Open Space
Alexandrina Council



Cr Tim Telfer
Councillor
City of Victor Harbor



Glenn Sanford
Director Environment &
Infrastructure
City of Victor Harbor



Kim Vivian
Environmental Health
Officer
District Council of Yankalilla



Malcolm Schlein
Councillor
District Council of Yankalilla



Chris Smith
Director Asset Services
Kangaroo Island Council



Cr Malcolm Boxall
Councillor
Kangaroo Island Council

BOARD MEETINGS

The Board meets 6 times each year, with each council taking turns in hosting the proceedings. Special 'Out of Session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.

Executive Officer's Message

The 2013/14 Annual Report marks the fourth year of FRWA's operation. I would like to acknowledge the dedication and good work of our staff and thank the FRWA Board for its continued support.



BEST PRACTICE SERVICES

Over the last 12 months total waste streams have increased by 10% due to a continuous population growth across the region. Through its best practice services FRWA achieved a diversion rate of over 66% of waste from landfill, an increase of 2.8% compared to the previous financial year.

The most significant increase in waste diversion from landfill was achieved in e.waste: we increased diversion by 69% compared to the previous year.

Regional initiatives, including:

- operation of e.waste drop off centers in Yankalilla, Goolwa and Strathalbyn;
- hosting chemical and household hazardous waste collections;
- securing state government funding for further improvements to the waste and recycling depots at Yankalilla and Kingscote;
- and the expansion of kerbside greenwaste services;

have played an important role in increasing diversion from landfill.

The Authority continued its good relationships and cooperation with neighbouring councils and regional authorities for which the joint tender process with City of Onkaparinga is a fine example. As a direct result FRWA entered in a new processing contract for that waste stream, allowing for recycling of additional materials, thus reduction of waste going to landfill.

FRWA represented its member councils on relevant state and national industry stakeholder working groups and forums and is an active member of the Waste Management Association of Australia/SA Branch.

FRWA'S PEOPLE

Enterprise Bargaining Agreement

The Authority's first Enterprise Bargaining Agreement was cooperatively developed between management and employees. It was implemented on 1st December 2011 and will remain in force until 30 November 2014.

A Single Bargaining Unit has been formed under the Authorities Enterprise Bargaining Agreement through which negotiations for the 2014 FRWA EBA commenced in February 2014.

Employee Assistance Program & Crisiscare

An Employee Assistance Program and Crisiscare Program have been implemented and are available for all employees.

Training and Development

The annual review of training and development needs and funding requirements for all Authority staff was completed and consolidated in the Training and Development Plan.

Training completed included:

- Asbestos Awareness Course;
- FRWA senior staff attended tailored training program for Emerging Leaders, organised by KI Council as a joint venture between both organisations;
- Drug and Alcohol Education Course conducted by Medvet was attended by management in line with our Drug and Alcohol Policy;
- Kangaroo Island staff member completed online training in the operation of the weighbridge, obtaining a Statement of Attainment of Competency;
- WHS Training and awareness around the new WHS Policies and Procedures and Injury Management;
- First Aid Training.



Executive Officer's Message

WORKPLACE HEALTH AND SAFETY (WHS) AND INJURY MANAGEMENT

FRWA is proud of its continued good record in Workplace Health and Safety (WHS) and Injury Management and is committed to ensuring, as far as reasonably practicable, that all workers are safe from injury and risk whilst they are at work.

We are committed to providing visible leadership and best practice in workplace health and safety and driving ongoing improvement. In close consultation with staff, our insurer, relevant government agencies and the FRWA Board we have developed the WHS & IM Management Improvement Plan 2014-2016 which will guide us through key programs and actions.

We embarked on a Safety Culture Improvement Program across all FRWA operations and achieved a 100% engagement with all staff in our endeavours to make safety the number 1 priority.

FRWA has a risk rating system for incidents / near miss events, rating all incidents in the following categories: High, Medium, and Low.

2013 – 2014 STATISTICS		
Rating Type	Rating Description	Number
High	Investigated by SafeWork SA	0
Medium	Lodged with Workcover and/or requires medical attention or LTI	2
Low	No injury and/or minor plant damage or NLT, near miss	35

LTI – Lost Time Injury NLT – No Lost Time

ZWSA FUNDING

ZWSA provided funding for a regional drop off day of hazardous waste from households and farms at the Goolwa WRD in June 2014. The event was attended by 128 customers who dropped off 2.9tonnes of hazardous waste.

FRWA was successful with a number of grant applications and funds from Zero Waste SA to a total value of \$97,100, assisting with upgrades to the Yankalilla and Kingscote WRDs and providing continuous co-funding for the regional manager

position. ZWSA also funded the regional household hazardous waste collection and promotional material in support of recycling right across all four member council.

WASTE AND RECYCLING DEPOTS (WRDs) AND BULKY WASTE STATIONS

FRWA operates Waste and Recycling Depots (WRD's) in Strathalbyn, Goolwa, Yankalilla and Kingscote as well as four Bulky Waste Stations on Kangaroo Island. All WRD's offer a wide range of services and are well received by our communities.

We also offer to our business and farming community important services such as drumMuster, Plasback and periodic ChemCollect programs for unwanted chemicals.

Strathalbyn WRD

Additional security measures have been implemented to improve security to the site. Waste received at the Strathalbyn site is steadily trending upwards, due to the population increase and building developments in the area.

Goolwa WRD

The Builders Waste cell was closed on the 31st January with all waste to landfill now being sorted on site prior to its transfer for disposal at the Southern Regional Waste Resource Authority site in McLaren Vale or at Brinkley in the Adelaide Hills. A newly constructed dome shelter over the waste transfer area serves as an interim solution during the redevelopment of the site to a modern subregional waste and recycling hub.



Executive Officer's Message

At the Goolwa site we processed approximately 14,000 tonnes of construction and demolition waste into crushed rock, collected over 454 tonnes of scrap metal, 5,863 car batteries and 7,900 litres of waste oil for recycling.

A total of 1,290 mattresses were received and passed onto Finding Workable Solutions for disassembly and processing of recyclable product.

Greenwaste is processed on site into valuable mulch and regular campaigns, such as 'Buy One Get One Free' offer budget options to our communities to improve their gardens and reduce evaporation.

Kangaroo Island WRD

The Site has seen a number of projects completed improving site efficiency and layout:

- ❖ Two additional bays have been constructed for the unloading of recyclables eliminating the need for the general public to have access to the rear of the depot, which posed a WHS risk.
- ❖ Additional signs have been erected across the site identifying to the public where products are to be dropped.
- ❖ A new asbestos pit has been erected with bunting and signage to identify the hazardous nature.
- ❖ A new shed has been erected for receiving and sorting e.waste as a result of co-funding from ZWSA.

Yankalilla WRD

Changes were made to improve the entry and exit and drop off area to allow for improved operations of the site for a sole operator. Mobile surveillance cameras have also been installed in areas across the site.

Waste streams through the gate have been steady with an average of 30 tonnes being transported to SRWRA landfill per month.

Mulch sales were steady across the year, with increased sales over the winter months.



The construction of a new workshop and salvage shop was completed providing better storage and improved display for salvage items. The project was jointly funded by ZWSA and the Yankalilla Council.

E. WASTE

This year was our first full year as an approved regional e.waste drop off center with 392 tonnes of e.waste received across all WRD's.

FRWA secured an extension of its contract with ANZRP, an Approved Arrangement under the National Television and Computer Recycling Scheme (the Scheme) ensuring the continued free drop off services for e.waste covered under the national Scheme until the end of June 2015.

KERBSIDE COLLECTIONS

FRWA provides kerbside services for over 31,178 premises across its four Constituent Councils in accordance with council approved collection schedules and frequencies:

	Alexandrina Council	Co VH	DC of Yankalilla	KI Council
MSW	140lt weekly	140lt weekly	140lt weekly	140lt weekly
Recycling	240lt 4 weekly	240lt 4 weekly	240lt 4 weekly	140lt weekly
Greenwaste	240lt 4 weekly	240lt 4 weekly	x	x

Over the last 12 months we provided over 1.7 million bin pick ups, collecting 13,086 tonnes of general waste, 3,090 tonnes of greenwaste and 3,756 tonnes of comingled recyclables.

FRWA and its Constituent Councils are committed to improving kerbside services to better meet community needs, promote recycling and reduce waste to landfill.

Executive Officer's Message

Together with our member councils we evaluated five options for improved kerbside services. The fortnightly collection of all waste types was identified as the preferred option and FRWA's Constituent Councils supported a Pilot project to trail fortnightly collections within a small selected area (crossing the boundary of Alexandrina Council and City of Victor Harbor) comprising of 630 dwellings.

The Pilot project was very successful and delivered a strong message that remaining with the existing kerbside collection schedule of weekly general waste and 4-weekly recycling and green waste collections would be unpopular. There is very strong demand in the community for fortnightly collection of recyclables and green waste.

Follow up work resulting from this project will continue into 2014/15 and a detailed strategy and costings for the introduction of improved kerbside services, including of the fortnightly kerbside collection option, will be prepared for further discussion with all stakeholders.

The RACV maintenance contract was extended for 12 months with the local service provider.

A contract was finalised with a South Australian Distributor for the supply of an onsite fuel bowser and fuel. This has resulted in improved efficiencies in manpower fuelling time and fuel costs.

THE NEW KERBSIDE WASTE COLLECTION POLICY

The Council approved new Kerbside Waste Collection Policy was progressively implemented across the three mainland councils. The Policy sets out the terms and conditions for standard kerbside services and includes a 'user pays' provision for additional kerbside services.

COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful education and information program with community groups, kindergartens and primary schools, delivering 72 presentations to an audience of over 2,200 people between July 13 and June 14.



The FRWA webpage was re-vamped, offering easier navigation and online access to the waste collection calendar. Customers have access to a broad variety of detailed information relating to waste, recycling and FRWA services. A kerbside collection search engine has been developed and is now included on the website, allowing clients to locate their collection day by entering their street details.

INTERNAL AUDIT COMMITTEE

During the year the Internal Audit Committee provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financials controls and asset management matters.

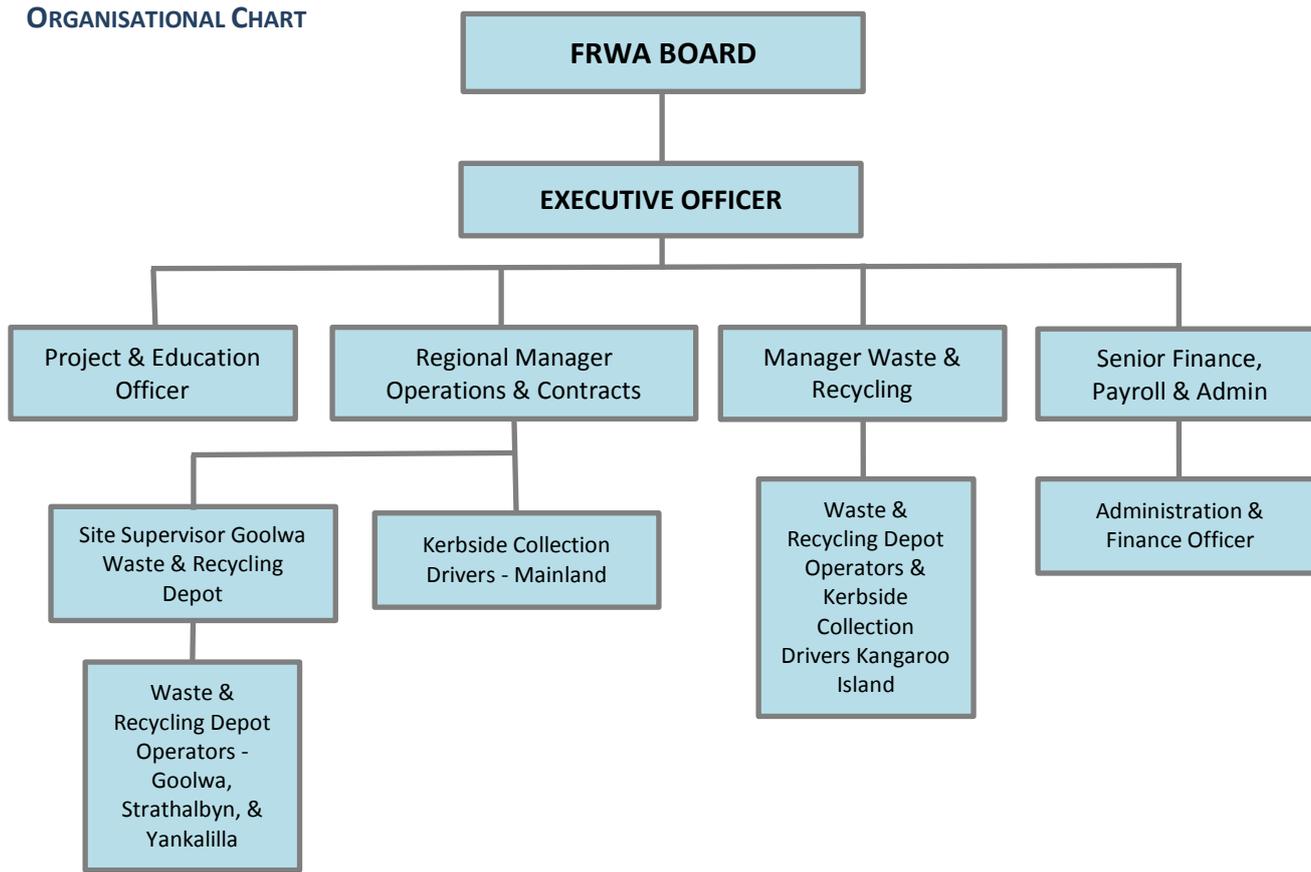
FINANCIAL STATEMENTS

I am pleased to report that the overall performance of the Authority during the 2013/14 financial year meets the budget expectations and the Audited Financial Statements for the year have confirmed FRWA's expected results and performance. A complete copy of the Audited Financial Statement 2014 forms part of this report.

MARINA WAGNER
EXECUTIVE OFFICER

Our People

ORGANISATIONAL CHART



EMPLOYEES BY OCCUPATION

DESIGNATED GROUPS	2013/14 (FTE & Casual Staff)
Executive Officer	1
Managers	2
Site Supervisor	1
Finance & Projects	3.00
Kerbside Drivers	8.5
Waste and Recycling Depot Operators	13.02
Total	28.52 FTE & Casual Staff

EXECUTIVE OFFICER

Marina Wagner

MANAGERS

Jason Kerr, Regional Manager Operations & Contracts

Darren Stephens, Manager Waste and Recycling

Corporate Governance

Good governance activities play a key role in ensuring the Authority achieves the highest standards of integrity and transparency.

The Authority's approach to good governance includes policy development and review, strategic planning, adherence to legislation and open and transparent reporting.

AUDITED FINANCIAL STATEMENTS 2013-2014

Edward Marshall audited the 2013-2014 books and issued the Financial Statements which were provided to all Constituent Councils.

EXTERNAL MANAGEMENT REVIEW

UHY Haines Norton Chartered Accountants completed quarterly external finance reviews during the financial year.

INTERNAL AUDIT COMMITTEE MEETINGS

Four meetings of the Internal Audit Committee were conducted throughout the year.

POLICY DEVELOPMENT AND REVIEW

Through this financial year the Authority continued to develop and review its Policies and Procedures. A number of corporate document reviews were completed across the financial year.

Newly developed documents:

- Tender Policy and Procedure
- Drug and Alcohol Policy and Procedure
- Fraud and Corruption Prevention Policy
- Corporate Risk Register.

Waste Statistics

DIVERSION OF WASTE FROM LANDFILL PER COUNCIL (From all sources – WRD and Kerbside)

Council	Tonnage Total
Alexandrina Council	31,340.33
City of Victor Harbor	2,561.08
DC of Yankalilla	1,537.58
Kangaroo Island Council	488.36
TOTAL TONNAGE	35,927.35

Note: City of VH is KS diversion only.

WASTE TO LANDFILL PER COUNCIL (From all sources - WRD and Kerbside)

Council	Tonnage Total
Alexandrina Council	10,402.55
City of Victor Harbor	3,518.94
DC of Yankalilla	2,037.79
Kangaroo Island Council	2,162.18
TOTAL TONNAGE	18,121.46

WASTE SUMMARY ALL COUNCILS (WRD and Kerbside)

	Tonnages
Total Waste Collected and Received	54,048.81
Total Waste Diverted from Landfill	35,927.35
Total Waste to Landfill	18,121.46

DIVERSION OF E.WASTE FROM LANDFILL PER COUNCIL

Council	Tonnage Total
Alexandrina Council	350
DC of Yankalilla	36.36
Kangaroo Island Council	5.46
TOTAL TONNAGE	391.82

DIVERTED FROM LANDFILL PER COUNCIL THROUGH KERBSIDE COLLECTION SERVICE

	Alexandrina Council	City of Victor Harbor	DC of Yankalilla	Kangaroo Island
Green Organic Waste	1,780.10	1,310.23	0	0
Recyclables	1942.60	1,250.85	366.78	196.25
TOTAL TONNAGE	3,722.10	2,561.08	366.78	196.25

Note: Kangaroo Island kerbside figures for recyclables are not separated from the Waste & Recycling Depot recyclables, the above figure is from both sources.

Financial Statements

2013-2014



Fleurieu Regional Waste Authority

Fleurieu Regional Waste Authority

General Purpose Financial Reports for the year ended 30 June 2014

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FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Authority 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 Authority's financial position at 30 June 2014 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


.....
Kym McHugh
ACTING CHAIR OF BOARD

Date: 17 Sep 2014

Fleurieu Regional Waste Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
INCOME			
User charges	2	6,621,775	6,403,974
Grants, subsidies and contributions	2	89,295	51,662
Investment income	2	28,939	33,735
Reimbursements	2	44,012	93,216
Other income	2	38,359	74,042
Total Income		<u>6,822,380</u>	<u>6,656,629</u>
EXPENSES			
Employee costs	3	2,239,551	2,030,996
Materials, contracts & other expenses	3	3,812,612	3,916,878
Depreciation, amortisation & impairment	3	528,936	522,785
Finance costs	3	127,529	149,443
Total Expenses		<u>6,708,628</u>	<u>6,620,102</u>
OPERATING SURPLUS / (DEFICIT)		113,752	36,527
NET SURPLUS / (DEFICIT)		<u>113,752</u>	<u>36,527</u>
transferred to Equity Statement			
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>113,752</u>	<u>36,527</u>

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

Fleurieu Regional Waste Authority

STATEMENT OF FINANCIAL POSITION as at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,189,690	860,948
Trade & other receivables	4	398,517	116,875
Inventories	4	45,493	10,912
Total Current Assets		<u>1,633,700</u>	<u>988,735</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	1,965,191	2,397,806
Total Non-current Assets		<u>1,965,191</u>	<u>2,397,806</u>
Total Assets		<u>3,598,891</u>	<u>3,386,541</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	1,058,456	677,469
Borrowings	6	359,128	336,387
Provisions	6	210,314	165,840
Total Current Liabilities		<u>1,627,898</u>	<u>1,179,696</u>
Non-current Liabilities			
Borrowings	6	1,459,195	1,818,323
Provisions	6	20,181	10,657
Total Non-current Liabilities		<u>1,479,376</u>	<u>1,828,980</u>
Total Liabilities		<u>3,107,274</u>	<u>3,008,676</u>
NET ASSETS		<u>491,617</u>	<u>377,865</u>
EQUITY			
Accumulated Surplus		491,617	377,865
TOTAL EQUITY		<u>491,617</u>	<u>377,865</u>

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

Fleurieu Regional Waste Authority

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

Here list each individual change and the component of equity

	Notes	Accumulated Surplus	TOTAL EQUITY
2014		\$	\$
Balance at end of previous reporting period		377,865	377,865
Net Surplus / (Deficit) for Year		113,752	113,752
Other Comprehensive Income		-	-
Balance at end of period		491,617	491,617
2013			
Balance at end of previous reporting period		341,338	341,338
Net Surplus / (Deficit) for Year		36,527	36,527
Other Comprehensive Income		-	-
Balance at end of period		377,865	377,865

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

Fleurieu Regional Waste Authority

STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
User charges		7,073,196	6,893,221
Investment receipts		28,939	33,735
Grants utilised for operating purposes		95,992	51,662
Reimbursements		48,413	93,216
Other revenues		42,195	74,042
<u>Payments</u>			
Employee costs		(2,156,689)	(2,026,119)
Materials, contracts & other expenses		(4,235,835)	(4,462,173)
Finance payments		<u>(134,761)</u>	<u>(159,089)</u>
Net Cash provided by (or used in) Operating Activities		761,450	498,495
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on new/upgraded assets		<u>(96,321)</u>	<u>(131,287)</u>
Net Cash provided by (or used in) Investing Activities		(96,321)	(131,287)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		<u>(336,387)</u>	<u>(315,086)</u>
Net Cash provided by (or used in) Financing Activities		(336,387)	(315,086)
Net Increase (Decrease) in cash held		<u>328,742</u>	<u>52,122</u>
Cash & cash equivalents at beginning of period	7	<u>860,948</u>	808,826
Cash & cash equivalents at end of period	7	<u>1,189,690</u>	<u>860,948</u>

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

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Victor Harbor, Alexandrina Council, The District Council of Yankalilla and The District Council of Kangaroo Island. The Authority commenced trading as from the 5th July 2010.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 17th September 2014.

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 Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Fleurieu Regional Waste Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and has its principal place of business at 25b Hutchinson Street, Goolwa SA 5214. These financial statements have been prepared for use by the constituent Councils of the Authority.

3 Income recognition

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

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 8.

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 Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

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

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 Authority 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 in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

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 Authority, best reflects the consumption of the service potential embodied in those assets.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

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 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 Impairment

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Authority 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.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

No accrual is made for sick leave as Authority 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 Authority does not make payment for untaken sick leave.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

9.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Authority's involvement with the schemes are reported in Note 13.

10 Leases

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

In respect of finance leases, where Authority 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 Authority 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.

11 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.

12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

AASB 9	Financial Instruments
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2012-3, AASB 2012-10, AASB 2013-3, AASB 2013-8 and AASB 2013-9.

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

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

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

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	Notes	2014 \$	2013 \$
USER CHARGES			
Waste Disposal Operations		<u>6,621,775</u>	<u>6,403,974</u>
		<u>6,621,775</u>	<u>6,403,974</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		2,208	4,621
Banks & other		<u>26,731</u>	<u>29,114</u>
		<u>28,939</u>	<u>33,735</u>
REIMBURSEMENTS			
- other		<u>44,012</u>	<u>93,216</u>
		<u>44,012</u>	<u>93,216</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		32,643	30,644
Sundry		<u>5,716</u>	<u>43,398</u>
		<u>38,359</u>	<u>74,042</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>
Sources of grants			
Other		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$	2013 \$
EMPLOYEE COSTS			
Salaries and Wages		1,888,354	1,747,417
Employee leave expense		71,585	24,193
Superannuation - defined contribution plan contributions	13	162,107	131,100
Superannuation - defined benefit plan contributions	13	-	17,489
Workers' Compensation Insurance		88,096	97,933
Other		29,409	12,864
Total Operating Employee Costs		2,239,551	2,030,996
 Total Number of Employees		 26	 26
<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		8,450	9,000
Bad and Doubtful Debts		-	1,206
Board members' expenses		28,464	22,408
Operating Lease Rentals - non-cancellable leases	12		
- minimum lease payments		26,000	26,000
Subtotal - Prescribed Expenses		62,914	58,614
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		792,944	1,128,797
Energy		574,693	540,106
Waste Disposal		1,214,030	1,028,880
Maintenance		515,789	379,845
Parts, accessories & consumables		14,433	6,840
Professional services		109,117	64,243
Sundry		528,692	709,553
Subtotal - Other Materials, Contracts & Expenses		3,749,698	3,858,264
		3,812,612	3,916,878
 DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		971	1,061
Plant & Equipment		521,087	514,846
Furniture & Fittings		6,878	6,878
		528,936	522,785
 FINANCE COSTS			
Interest on Loans		127,529	149,443
		127,529	149,443

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - CURRENT ASSETS

		2014	2013
CASH & EQUIVALENT ASSETS		\$	\$
Cash on Hand and at Bank	Notes	147,615	74,128
Deposits at Call		1,042,075	786,820
		<u>1,189,690</u>	<u>860,948</u>
 TRADE & OTHER RECEIVABLES			
Debtors - general		398,517	116,875
Total		<u>398,517</u>	<u>116,875</u>
 Less: Allowance for Doubtful Debts		<u>-</u>	<u>-</u>
		<u>398,517</u>	<u>116,875</u>
 <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
 INVENTORIES			
Stores & Materials		45,493	10,912
		<u>45,493</u>	<u>10,912</u>
 <i>Amounts included in inventories that are not expected to be received within 12 months of reporting date.</i>		-	-

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	2013				2014			
	\$				\$			
Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Buildings & Other Structures	-	3,181	(2,210)	971	-	3,181	(3,181)	-
Plant & Equipment	-	3,314,193	(929,025)	2,385,168	-	3,410,514	(1,450,112)	1,960,402
Furniture & Fittings	-	20,634	(8,967)	11,667	-	20,634	(15,845)	4,789
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	3,338,008	(940,202)	2,397,806	-	3,434,329	(1,469,138)	1,965,191
<i>Comparatives</i>		3,206,720	(417,416)	2,789,304	-	3,338,008	(940,202)	2,397,806

This Note continues on the following pages.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	2013	CARRYING AMOUNT MOVEMENTS DURING YEAR						2014	
	\$	\$						\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Buildings & Other Structures	971	-	-	-	(971)	-	-	-	-
Plant & Equipment	2,385,168	96,321	-	-	(521,087)	-	-	-	1,960,402
Furniture & Fittings	11,667	-	-	-	(6,878)	-	-	-	4,789
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	2,397,806	96,321	-	-	(528,936)	-	-	-	1,965,191
<i>Comparatives</i>	2,789,304	131,287			(522,785)				2,397,806

This Note continues on the following pages.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

Buildings & Other Structures

Buildings and other structures generally are recognised on the cost basis.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Capitalisation thresholds

Capitalisation thresholds used by Authority for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$1,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	3 to 20 years
Building & Other Structures	30 to 80 years

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Notes	2014 \$	2013 \$
Total cash & equivalent assets	4	<u>1,189,690</u>	<u>860,948</u>
Balances per Statement of Cash Flows		<u>1,189,690</u>	<u>860,948</u>

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

Net Surplus (Deficit)		113,752	36,527
Non-cash items in Statement of Comprehensive Income			
Depreciation, amortisation & impairment		528,936	522,785
Net increase (decrease) in unpaid employee benefits		<u>82,862</u>	<u>-</u>
		<u>725,550</u>	<u>559,312</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(281,642)	6,503
Net (increase) decrease in inventories		(34,581)	(10,912)
Net increase (decrease) in trade & other payables		317,123	(97,167)
Net increase (decrease) in other provisions		<u>35,000</u>	<u>40,759</u>
Net Cash provided by (or used in) operations		<u>761,450</u>	<u>498,495</u>

(c) Non-Cash Financing and Investing Activities

- -

(d) Financing Arrangements

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	500,000	500,000

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - FINANCIAL INSTRUMENTS

Note: The above summary of contribution plans represents the total of Council's individual contribution
All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1% and 3.5% (2013: 1% and 3.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable on a 6 monthly basis; interest is charged at fixed rate of 6.65% (2013: 6.65%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	1,189,690	-	-	1,189,690	1,189,690
Receivables	398,517	-	-	398,517	398,517
Total	1,588,207	-	-	1,588,207	1,588,207
Financial Liabilities					
Payables	846,592	-	-	846,592	786,225
Current Borrowings	474,174	-	-	474,174	359,128
Non-Current Borrowings	-	1,659,609	-	1,659,609	1,459,195
Total	1,320,766	1,659,609	-	2,980,375	2,604,548
2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	860,948	-	-	860,948	860,948
Receivables	116,875	-	-	116,875	116,875
Total	977,823	-	-	977,823	977,823
Financial Liabilities					
Payables	529,469	-	-	529,469	405,924
Current Borrowings	474,174	-	-	474,174	336,387
Non-Current Borrowings	-	2,137,784	-	2,137,784	1,818,323
Total	1,003,643	2,137,784	-	3,141,427	2,560,634

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

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	6.65	<u>1,818,323</u>	6.65	<u>2,154,710</u>
		<u>1,818,323</u>		<u>2,154,710</u>

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 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.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2014 \$	2013 \$
Capital Commitments		-	-
Other Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9,000	18,000
Kangaroo Island Bin Replacement		175,000	175,000
Employee Remuneration Contracts		143,895	292,871
Maintenance contracts		<u>82,560</u>	<u>33,000</u>
		<u>410,455</u>	<u>518,871</u>
These expenditures are payable:			
Not later than one year		192,255	220,564
Later than one year and not later than 5 years		218,200	298,307
Later than 5 years		-	-
		<u>410,455</u>	<u>518,871</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 10 - FINANCIAL INDICATORS

	2014	2013	2012
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	1.67%	0.55%	2%
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This ratio expresses the operating surplus as a percentage of Total Income.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	24%	31%	41%
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Authority businesses). These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	NA	NA	NA
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 11 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2014 \$	2013 \$
Income	6,822,380	6,656,629
less Expenses	<u>6,708,628</u>	<u>6,620,102</u>
Operating Surplus / (Deficit)	113,752	36,527
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Depreciation, Amortisation and Impairment	(528,936)	(522,785)
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	(528,936)	(522,785)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	96,321	131,287
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	96,321	131,287
Net Lending / (Borrowing) for Financial Year	<u>546,367</u>	<u>428,025</u>

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 - OPERATING LEASES

Lease payment commitments of Authority

The Authority has entered into non-cancellable operating leases for office premises in Goolwa.

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

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

	2014	2013
	\$	\$
Not later than one year	26,000	17,333
Later than one year and not later than 5 years	15,167	-
Later than 5 years	-	-
	<u>41,167</u>	<u>17,333</u>

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, 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), the Authority does not use defined benefit accounting for these contributions.

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

Contributions to Other Superannuation Schemes

The Authority 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 Authority.

Fleurieu Regional Waste Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

At times there are contingencies, assets or liabilities that do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the user of the financial report making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the Statement of Financial Position.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE IN THE BALANCE SHEET

There were no events subsequent to 30 June 2014 that need to be disclosed in the financial statements.



Edwards Marshall

**FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014
STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2014, 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 and 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*.

Jamie Dreckow
Partner

Edwards Marshall
Chartered Accountants

Dated this 11th day of September 2014



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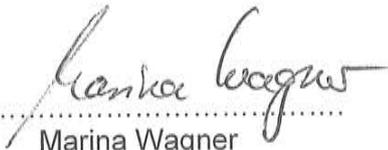
FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



Marina Wagner

Executive Officer

Fleurieu Regional Waste Authority

Date: 9/9/2014

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Peter Dinning
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 4/9 | 2014

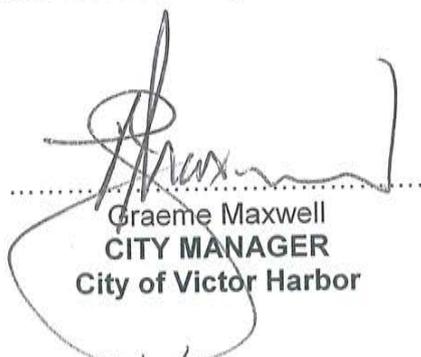
FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Graeme Maxwell
CITY MANAGER
City of Victor Harbor

Date: 2/9/14

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



.....
Andrew Boardman
CHIEF EXECUTIVE OFFICER
Kangaroo Island Council

Date: 5/09/14

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Adrian Skull

CHIEF EXECUTIVE OFFICER
District Council of Yankalilla

Date: 2-9-14

FLEURIEU REGIONAL WASTE AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Catherine Cooper
CHAIR OF BOARD

Date: 11/9/2014



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY

Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Certification of Financial Statements.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLEURIEU REGIONAL WASTE AUTHORITY**

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Edwards Marshall
Chartered Accountants

Jamie Drečkow
Partner

Adelaide
South Australia

Date 11/9/14

25b Hutchinson Street
(PO Box 2375)
Goolwa SA 5214
Telephone: (08) 8555 7401 Facsimile (08) 8555 0970
Website: www.frwa.com.au



Fleurieu Regional Waste Authority





Southern & Hills Local Government Association

Adelaide Hills, Alexandrina, Barossa, Kangaroo Island, Mt Barker, Victor Harbor and Yankalilla



ANNUAL REPORT 2013-2014

Address:
Email:
Mobile:
Website:

13 Ringmer Dr. Burnside SA 5066
graeme@shlga.sa.gov.au
0418 502 311
www.shlga.sa.gov.au

About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of seven (7) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- The Barossa Council
- Kangaroo Island Council
- District Council of Mt Barker
- City of Victor Harbor
- District Council of Yankalilla

Collectively these seven (7) Councils have:

- ☑ More than 137,500 people as at 30th June 2013.
- ☑ 7,274 kilometres of local roads of which 2,585 are sealed, 4,440 are formed unsealed and the remaining 249 are unformed.
- ☑ Area consists of 9,658 square kilometres.
- ☑ An ocean coastline of 653 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Barossa Valley, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

Office Bearers 2013 – 2014

President	Mayor Ann Ferguson, DC Mount Barker
Deputy President	Mayor Jayne Bates, Kangaroo Island Council
Executive Officer	Mr Graeme Martin
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegate to LGA Board	Mayor Ann Ferguson
Proxy Delegate to LGA Board	Mayor Jayne Bates, Kangaroo Island Council
Delegates to SAROC	Mayor Ann Ferguson Mr Graeme Martin
Proxy Delegate to SAROC	Mayor Jayne Bates

President's Forward

We have completed another successful year, one of consolidation and reflection for the Southern and Hills Local Government Association.

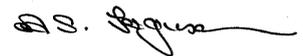
The organisation is in a sound financial position and has now commenced its new four year Business Plan for the period 2013-2017. This past year has seen our energies devoted to the core business of the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, the continuing work to develop and co-ordinate a regional plan to comply with the SA Public Health Act and maintaining and reviewing key strategy and performance documents such as the Annual Action Items and Annual Budget.

Once again the key to our future success will be in our continued collegiate co-operation and development of efficient shared services particularly in the face of economic headwinds. These conditions will force us in future years to question our essential business and sustainability. One of life's certainties is 'change'.

Our Executive Officer, Graeme Martin now in his second year has been active in many management and representative roles as we continue to advocate and promote the S&HLGA region and the association's activities. The S&HLGA Board conducted a thorough EO performance review and successfully negotiated a new contract. I thank our EO for his continued support and commitment.

We have continued to foster our relationships with our peak representative body the LGA (SA) and other key bodies such as Regional Development Australia and the Natural Resource Management Boards as we confront the many impacting regional issues.

In closing, I once again thank all the member councils for their support, and the ongoing contribution of member Mayors and CEOs.



**Mayor Ann Ferguson
President**



The Board

The Board held 6 ordinary bi-monthly meetings, and a Board workshop, during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

16 August 2013	–	Adelaide Hills
18 October 2013	-	Barossa
6 December 2013	-	Victor Harbor
21 February 2014	-	Kangaroo Island
4 April 2014	-	Alexandrina
21 June 2013	-	Adelaide Hills

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to develop the regional Investment portfolio.
- o Recommended and developed policy and involvement in the campaign on “making regions matter” for the 2014 State election.
- o Lobbied and worked with the LGA on the review of the Native Vegetation Council Significant Environmental Benefits (SEB) offset scheme.
- o Developed and completed stage one of a regional SA Public Health Plan.
- o Developed the regional priorities following the critical strategic review of the organisation.
- o Completed the updating of the Roads Database component of the regional 2020 Transport Plan and commenced the comprehensive review of the Regional Transport Plan.
- o Successfully completed the Chief Executive Officer Contract renewal negotiations following on from the comprehensive formal performance review.
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 10 various speakers addressed meetings of the Board and 2 regional hearings were held.

In addition the CEO's group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2013-2014

At the conclusion of the period 2013-2014 the Board completed a review of its Annual Key Actions and its Annual Budget performance.

S&HLGA Roads Working Party

The Working Party, with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held its annual meeting in April to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2014 – 2015
 - Alexandrina Road - District Council of Mt Barker, Requested Grant \$1,000,000
 - Cape Willoughby Bay Road – Kangaroo Island Council, Requested Grant \$466,666
 - Ocean Road – City of Victor Harbor, Requested Grant \$734,000

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on from 2012 workshop with the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, the group has been reviewing options for CWMS assets in light of registered interests from the private sector.

This work should continue during the following years along with the recommendations for CWMS owners to seek and implement best practices and efficient maximum return operations.

Regional Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- To the Commonwealth Financial Assistance Scheme review on behalf of the S&HLGA region.
- To the Native Vegetation Council concerning the SEB offset review and Local Government exemptions
- To LGA on Mobile Communication Blackspots in the S&HLGA Region

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

- SA Public Health Plan.
- Regional LGA CEOs group.
- LGA Regional Airports group.
- 2020 Transport Review task force

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- NBN Briefing for the region
- Planning Reform for the State
- Integrated Land Use Study
- Local Excellence Expert Panel on Councils of the Future

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Provide initial feedback and then assist with the ongoing review of the Native Vegetation Council SEB offsets methodology and calculation
- Recommending and developing policy on Regional Development for the 2014 State Elections
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits
- Input into the development of a balanced and consistent community access policy and position to Department of Education sport and recreational facilities.
- Input into the development of policy on the use of Council Resources in Emergency response operations
- Providing input into the Financial Assistance Grants Commission methodology review
- Active support for the LGA position on the implementation of the National Heavy Vehicle Regulations and assisting the development of a policy to manage this into the future

LGA Board Committee

S&HLGA President, Mayor Ann Ferguson has represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegate, and Kangaroo Island Mayor, Jane Bates has acted as proxy delegate.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme has consolidated the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC and various reports and submissions throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period 2013 - 2014.

Acronyms

AMLNRNM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEWNR.....	Department of Environment, Water & Natural Resources
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
LGA.....	Local Government Association
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

SUMMARY FINANCIAL STATEMENTS**For the Year Ending 30th June 2014**

	2014	2013
	\$	\$
Income		
Subscriptions	98,423	70,000
Operating Grants	37,225	36,424
Investment Income	1,988	2,566
Other	19,269	284
	<hr/>	<hr/>
Total Income	156,905	109,558
Expenditure		
Contractual Services	128,575	102,124
Finance Charges	3,588	3,203
Other	15,790	18,182
	<hr/>	<hr/>
Total Expenditure	147,953	123,509
	<hr/>	<hr/>
Surplus (Deficit) from Operations	8,953	(13,951)
	<hr/>	<hr/>
	\$	\$
Current Assets		
Investments	59,548	45,614
Debtors	3,721	3,397
	<hr/>	<hr/>
Total Current Assets	63,269	49,011
	<hr/>	<hr/>
Current Liabilities		
Accounts Payable	18,398	13,094
	<hr/>	<hr/>
Total Current Liabilities	18,398	13,094
	<hr/>	<hr/>
Net Current Assets	44,871	35,917
	<hr/>	<hr/>
Net Assets	44,871	35,918
	<hr/>	<hr/>
Equity		
	44,871	35,918
Accumulated Surplus	<hr/>	<hr/>
Total Equity	44,871	35,918
	<hr/>	<hr/>



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Constituent Councils

Adelaide Hills Council
Alexandrina Council
The Barossa Council
Kangaroo Island Council
District Council of Mount Barker
City of Victor Harbor
District Council of Yankalilla

S&HLGA KEY ACTION PLAN

2013 - 2014

Address: 13 Ringmer Dr. Burnside, South Australia 5066
Telephone: (08) 7122 4348
Mobile: 0418 502 311
Email: graeme@shlga.sa.gov.au
Web Site: www.shlga.sa.gov.au

The Business Plan 2013 – 2014 prepared in accordance with Clause 18 of the Charter, and to comply with Clause 24 of Schedule 2 of the Local Government Act 1999, was adopted on 21 June 2013. The Business Plan should be read in conjunction with the Budgets 2013 – 2014, 2014 – 2015, 2015 - 2016 and 2016 - 2017 that provides the resources for the Plan.

An Annual Key Actions Plan is prepared based on a framework of the Business Plan that incorporates the Key Issues identified by the Councils and the Executive Officer in various Board meetings and forums during the preceding period. The Key Actions Plan is the framework for review and reporting against the Business Plan.

This report format will facilitate the reviews required by Clause 18.3 of the Charter to be conducted by the Board during the course of the year.

The Executive Officer will report to Ordinary Board meetings against the following criteria

1. To keep maintained the business office of the Authority
2. To prepare the Business Plan, Budgets and reports in a timely manner
3. To liaise with Councils, and Stakeholders to foster the outcomes of the Business Plan
4. To attend all meetings of the Authority, to prepare agendas, minutes and correspondence as required.

AND against recognised and documented success indicators (Key Performance Outcome KPO, Key Performance Indicator, KPI).

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i>	<p>Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by:</p> <ul style="list-style-type: none"> ○ Meetings to include presentations, workshops and forums on Key Issues <p>Respond as necessary to State and Federal Government Policies which impact on the region</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Strategies that give priority to S&HLGA issues <input checked="" type="checkbox"/> Satisfaction data on the meeting format, speakers <input checked="" type="checkbox"/> Number of policy responses 	To maintain a vibrant responsive format for the S&HLGA Board	Key issues are addressed and format of meetings constantly meet the needs of the Association's members.	1. Responded to Commonwealth FAGs review August 2013
2. <i>To promote & market the Southern & Hills Local Government Association</i>	<p>Ensure the new website is current and marketed appropriately</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Update the website as required and review <input checked="" type="checkbox"/> Upgrade the logo to incorporate appropriate State Branding 	Maintain an informative, current and appealing S&HLGA website		1. Updated logo presented to Board Dec 6 th 2013
	<p>To provide sound financial management and manage resources effectively</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> To prepare annual Budget and review as required 	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	Budget is maintained and reports meet timelines. Objectives and actions within Business Plan have been addressed meeting agreed to timelines.	<p>1. Actual v Budget performance reviewed each Bi monthly S&HLGA Board meeting.</p> <p>2. Annual External Audit commenced July 2013</p> <p>3. Audit completed and Annual Report completed & distributed 13 Sept 2013</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	<ul style="list-style-type: none"> ○ CEO's to inform EO of issues for each meeting ○ Stakeholders to inform EO of issues for each meeting ○ Strengthen interaction with State government and opposition MP's 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Activate the CEO's forum 	<p>Management of key stakeholder relationships with the S&HLGA Board</p>	<p>CEO meeting recommendations and feedback.</p> <p>Key Stakeholder feedback and Board satisfaction</p>	<ul style="list-style-type: none"> 1. CEO meeting prior to S&HLGA Board meetings 1. Key Stakeholders present at each Board meeting 2. Invitation issued to new Regional Development Minister Geoff Brock April 2014
	<ul style="list-style-type: none"> ○ Regional issues to be raised with LGA through SAROC 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Number of issues raised with LGA / SAROC / Agencies <input checked="" type="checkbox"/> Number of LGA/SAROC Task groups and Committees involved in 			<ul style="list-style-type: none"> 1. NV report presented to SAROC meeting 11 Sept 2013 2. Updated NV report presented to SAROC meeting 19 March 2014 3. Attended LGA workshop on Expert Panel report on "Council of the Future" 1. Regional Airports Committee membership 2. Attendance at joint AAA SA/Vic meeting 12/3/14

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>2. <i>To support sustainable economic, environmental, & social development in the region</i></p>	<p>Environment In co-operation with adjoining regions support the adoption of the Individual Member Council/ NRM MoUs</p> <ul style="list-style-type: none"> o Rollout one additional MoU with one member Council and one of the other regional NRMs o Review current operational plans o Agree and commence the process for a regional Climate Change Vulnerability Assessment and/or Climate change adaptation study o Support LGA review of the current NRM model 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Signing of new additional MoU. <input checked="" type="checkbox"/> Formal Board Report on existing Operational plan <input checked="" type="checkbox"/> Recommendation and regional study commenced 			<p>1. LGA NRM survey completed</p> <p>1. Consultant quote to undertake the study received July 2013. 2. Management Committee formed in partnership with RDA, DEWNR 3. Consultant appointed Sept 2013 4. Stage 2 funding application submitted by RDA May 2014</p> <p>1. LGA options paper on NRM available for comment Feb 2014</p>
	<p>research Explore (with the LGA) research and /or pilot programs for the Region.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Successful Research applications or projects facilitated in the region 			<p>1. KI successful applicant to the LGA Video Conferencing Pilot study 2. Peri Urban Research project request submitted April 2014</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	Health Undertake a regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed Regional Health Plan			1. Working Party meeting 30 July 2013. 2. Consultant brief completed 24 Sept 2013 3. Consultant appointed Nov 2013 4. Draft Regional snapshot produced March 2014 5. Stakeholder Consultations completed April 2014
	Regional Development Review LG involvement and contributions in the RDA	<input checked="" type="checkbox"/> Signed contract with the RDA with agreed contribution levels and regional KPI's		Key Stakeholder feedback and Council satisfaction	1. New LG contract with agreed LG KPIs and contributions formulated with RDA and distributed August 2013.

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>3. <i>To improve infrastructure to meet the community's needs.</i></p>	<p>Transport Review and update S&HLGA 2020 Transport Plan.</p> <p>Waste Activate the CWMS user group</p> <p>Review existing Regional Waste Management arrangements and support LGA review of waste levy management and projects</p> <p>Telecommunication Lobby for equitable access for the region for digital technology including broadband upgrades and mobile coverage</p>	<p><input checked="" type="checkbox"/> Completed review of 2020 Transport Plan</p> <p><input checked="" type="checkbox"/> Documented CWMS meetings and outcomes</p> <p><input checked="" type="checkbox"/> Waste management report presented to the Board and/or Regional Forum conducted</p>	<p>To update the 2020 Roads Database Report to provide the reference for the 2014 round of SLRP project recommendations</p>	<p>Roads Database Report is updated and meeting critical timelines. This provides a reference for the 2014 SLRP recommendations for 2015 funding</p> <p>The review of the 2020 Transport Study provides the basis of a regional infrastructure plan.</p>	<p>1. HDS quote submitted July 2013 and accepted 2. Deficient Roads template and guidelines issued to each Council July 2013 3. Workshop on proposed DPTI "Integrated Transport & Land use Strategy – ITLUS" conducted May 30 4. Presentation ITLUS draft Nov 19 5. Completed Deficient Roads template and new regional priority list developed March 2014 6. SLRP 2014-15 Funding applications submitted 30/4/14</p> <p>1. NBN workshop attended 21 Aug 2013 2. Blackspot funding submission via LGA Feb 2014</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
4. <i>To strengthen the capacity of the Association to meet its service obligations.</i>	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks by establishing Task Group/s	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> Formation of Shared Services Task Group and the implementation of shared services			1. LGA Regional Capability grant invoice submitted 3 August 2013 2. Acquittal form for 2012-2013 submitted 5 August 3. LGA Regional Capability grant received 20 Sept 2013
	Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members			Issues have been identified, investigations into a Peri Urban Region has been completed and reported back to S&HLGA Board, including recommendations.	1. Discussions commenced with Central Region EO in Feb 2014 regarding possible boundary realignments and membership review.
	Support the LG Business Partner Program which promotes Long term financial sustainability of Councils	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board			1. Workshops under Terry Bruun continuing
	Explore the opportunities of boosting the regional tourism activity and yields	<input checked="" type="checkbox"/> Review of regional tourism delivery, marketing and product <input checked="" type="checkbox"/> Facilitate an inter-government planning forum with a tourism theme for the region			1. Investment Planning day with RDA conducted 20 th Feb on KI

9th September 2014

The Board
Southern & Hills Local Government Association
C/- Mr G Martin
Executive Officer
13 Ringmer Drive
BURNSIDE SA 5066

Dear Graeme and Board Members

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

In accordance with Regulation 22(5) Local Government (Financial Management) Regulation 2011 and the Local Government Act 1999, we confirm that, for the audit of the financial statements of Southern and Hills Local Government Association for the year ended 30 June 2014 we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



TREVOR D HIRTH
HLB Mann Judd

Dated this

9th

day of

September

2014

HLB Mann Judd (SA Partnership) ABN: 22 640 925 071

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**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT**

To the constituent councils of the Southern & Hills Local Government Association:

We have audited the accompanying financial report of Southern & Hills Local Government Association, which comprises the balance sheet as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Board's responsibility for the Financial Report

The board of the association 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 (Regulations) made under that Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT (continued)**

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Local Government Act and Regulations.

Auditor's Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Southern & Hills Local Government Association as at 30 June 2014 and its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and Regulations.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants


Trevor Hirth
Partner

gth
Adelaide, South Australia
September 2014

Southern & Hills Local Government Association

Report to the Members of the Board and Audit Committee

Year ended 30 June 2014

■ Your Business | Our Specialty ■

HLB Mann Judd

Accountants | Business and Financial Advisers

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1. Audit Overview

1.1 Purpose

The purpose of this closing report is to communicate any significant matters arising from our audit with the Board. The matters raised in this report have been discussed with management.

1.2 Scope

We conducted our audit of the financial report of Southern & Hills Local Government Association for the year ended 30 June 2014 in accordance with the terms of our engagement and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

1.3 Status

We have completed the audit including the following which were required in order to finalise the audit:

Matter	Responsibility
Management Representation letter	Management completed 2.9.2014
Signed Financial Statements for the year ended 30 June 2014	Pending - <i>SINCE RECEIVED</i>
Statement of Auditors Independence	Pending - <i>ATTACHED</i>
Independent Auditors Report	Pending - <i>ATTACHED</i>

1.4 Access and co-operation

We can confirm that we were not restricted in any way from being able to perform our audit and were provided with access to all information when requested. We would like to express our thanks to the Executive Officer Graeme Martin for his co-operation and assistance.

1.5 Audit opinion

Subject to receiving the signed statement, an unqualified audit report will be issued for the year ended 30 June 2014.

1.6 Disclaimer

Other than our responsibility to the Board of Southern & Hills Local Government Association ("the Association") neither HLB Mann Judd nor any member or employee of HLB Mann Judd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility.

Our report is for the sole use of the Association and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.

2. Significant Accounting and Auditing Issues

Any matters raised during the course of our audit, were considered and discussed with management and appropriate action was taken by management to resolve any issues.

2.1 Accounting and Financial Statements

We again assisted the Executive Officer with balancing the financial statements and the Cashflow Statement, assisting with the finalisation of the financial statements for the year ended 30th June 2014 and updating to the General Purpose presentation. We understand that a new system has been adopted from 1st July 2014.

2.2 Audit Committee and Internal Control

We continue to note that the Minister confirmed by letter on the 27th July 2012 that a further exemption from the requirement to establish an audit committee under Regulation 18 of the Local Government (Financial Management) Regulation 2011 was granted until 30th June 2016.

3. Specific matters to be reported to those charged with governance

3.1 Independence and ethics

All partners and staff on the Southern & Hills Local Government Association ("the Association") audit engagement team have confirmed that they have been independent for the year ended 30 June 2014.

Furthermore, audit engagement team members have confirmed their compliance with the ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Regulation 22(5) of the Local Government (Financial Management) Regulation 2011 required the independent auditor to make a declaration to the Board and Audit Committee Members regarding their independence.

HLB Mann Judd's policies relating to financial interests with audit clients (loans, shares in the client or share investments) are more stringent than the requirements imposed by the regulatory and professional bodies.

Specifically we represent to you:

- There are no business interests between the Association and HLB Mann Judd.
- No portion of fees paid by the company to HLB Mann Judd is paid on a contingency basis.
- There is no litigation between the company and HLB Mann Judd.
- We are satisfied that the policies and procedures we have in place adequately address any conflicts of interest.

3.2 Audit Considerations in relation to Fraud

Under Australian Auditing Standard ASA 240, The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report, the auditor is responsible for planning and performing the audit to obtain reasonable assurance about whether the financial report is free of material misstatements as a result of fraud or error.

Management have a responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

While our audit work during the year was not primarily directed towards the detection of fraud, as part of our annual procedures, we consider the following:

- likelihood of material misstatements arising from fraudulent financial reporting or omissions of amounts of disclosures designed to deceive financial statement users; and
- likelihood of material misstatements arising from misappropriation of assets involving theft and embezzlement of assets.

As a result of the above procedures, we have not become aware of any instances of fraud or non compliance with legislative, regulatory or contractual requirements, which have come to our attention during our procedures.

3.3 Other Matters

Apart from any issues detailed in section 2, we confirm that:

- We noted no errors or irregularities that would cause the financial report to contain a material misstatement, and noted no apparent illegal acts.
- There were no difficulties encountered in dealing with management relating to the performance of the audit.
- The accounting policies selected by the Association are appropriate to the particular circumstances of the Association.
- There are no financial report disclosures issues that we wish to bring to your attention.
- We are not aware of any significant unusual transactions in controversial or emerging areas for which there is a lack of authoritative accounting guidance or consensus.
- We are not aware of any material inconsistencies or material misstatements of fact in information accompanying the financial report that have been corrected.
- We are not aware of any significant matters arising during the audit in connection with the Association's related parties

4. Internal Control Findings

During the course of our audit for the year ended 30 June 2014, we obtained an understanding of the Association's internal control structure and procedures sufficient to allow us to determine our audit procedures for the purpose of expressing our opinion on the financial report.

Our consideration of the control structure and procedures would not necessarily disclose all material weaknesses, as our audit is based on selective tests of accounting records and supporting data, and is not intended to provide specific assurance on the internal control structure.

Subject to earlier comments in this report we have not identified any significant matters that warrant the attention of management or the Board in this area.

Meanwhile management and the Board are required to closely monitor the internal controls in the future in view of the changes made to the Regulations, with an obligation to report from 1st July 2014 for the 2014/2015 year.

H L B Mann Trust



**TREVOR HIRTH
PARTNER**

9/11 September 2014

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ending 30th June 2014

	Notes	2014 \$	2013 \$
Income			
Subscriptions	1.8	98,423	70,000
Operating Grants		37,225	36,424
Investment Income	1.7	1,988	2,566
Other		19,269	284
Total Income		<hr/> 156,905	<hr/> 109,558
Expenditure			
Contractual Services	3	128,575	102,124
Finance Charges		3,588	3,203
Other		15,790	18,182
Total Expenditure		<hr/> 147,953	<hr/> 123,509
Surplus (Deficit) from Operations		<hr/> 8,953	<hr/> (13,951)

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2014

		2014	2013
	Notes	\$	\$
Current Assets			
Investments		59,548	45,614
Debtors		3,721	3,397
Total Current Assets		<u>63,269</u>	<u>49,011</u>
Current Liabilities			
Accounts Payable		<u>18,398</u>	<u>13,094</u>
Total Current Liabilities		<u>18,398</u>	<u>13,094</u>
Net Current Assets		<u>44,871</u>	<u>35,917</u>
Net Assets	1.4	<u>44,871</u>	<u>35,918</u>
Equity			
Accumulated Surplus		<u>44,871</u>	<u>35,918</u>
Total Equity		<u>44,871</u>	<u>35,918</u>

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2014

	2014	2013
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	35,918	49,869
Net Surplus / (Deficit)	8,953	(13,951)
Balance at end of period	44,871	35,918
Total Equity	44,871	35,918

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2014

	2014	2013
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	176,348	125,717
Payments	(164,401)	(143,481)
Interest Receipts	1,988	3,134
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	13,935	(14,630)
	<hr/>	<hr/>
Net increase in Cash Held	13,935	(14,630)
	<hr/>	<hr/>
Cash at the beginning of the reporting period	45,613	60,243
	<hr/>	<hr/>
Cash at the end of the reporting period	59,548	45,613
	<hr/>	<hr/>

The above Statement of cash Flows should be read in conjunction with the accompanying notes

Reconciliation of Change in Net Assets to Cash from operating activities

	2014
	\$
Net Surplus	8,953
Less	
Net Increase in Debtors	324
Add	
Net Increase in Accounts Payable	5,306
	<hr/>
Net Cash provided by Operating Activities	13,935
	<hr/>

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

Note 1 - Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies subject to the changing from special purpose to general purpose accounts, 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 Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 Of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, The Barossa Council, Kangaroo Island Council, District Council of Mt Barker, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has no employees.

1.7 Investments

Investments are valued at cost. Interest revenues are recognized as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2014	\$10,000
Constituent Council Subscription 2013	\$10,000

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration: The operation of the Office of the Association and its decision making forums.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Transport and Communication: The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2014	37,225	84,180	121,405	77.4%	117,777	79.6%	3,628
2013	36,424	73,134	109,558	100.0%	119,785	96.9%	(10,227)

Projects

2014	0	18,000	18,000	11.5%	22,000	14.9%	(4,000)
2013	0	0	0	0%	0	0	0

Transport and Communication

2014	0	17,500	17,500	11.1%	8,175	5.5%	9,325
2013	0	0	0	0%	3,724	3.1%	(3,724)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2014	37,225	119,680	156,905	100.0%	147,953	100.0%	8,953
2013	36,424	73,134	109,558	100.0%	123,509	100.0%	(13,951)

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

	2014	2013
Consultants:		
Suter Planners	\$22,000	\$0
Grange Advisors Pty Ltd	\$98,400	\$98,400
HDS Australia Pty Ltd	\$8,175	\$3,724
Totals	\$128,575	\$102,124

4. Comparison of Budget and Actual Results

	2014		2013	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	119,257	121,405	109,505	109,558
Projects	20,500	18,000	0	0
Transport and Communication	17,500	17,500	0	0
Total Revenue	157,257	156,905	109,505	109,558
Expenditure				
Administration	116,933	117,777	113,850	119,785
Projects	30,000	22,000	500	0
Transport and Communication	17,500	8,175	750	3,724
Total Expenditure	164,433	147,952	115,100	123,509
Surplus (Deficit)	(7,176)	8,953	(5,595)	(13,951)

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

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

Dated 30th August 2014



Graeme Martin
EXECUTIVE OFFICER



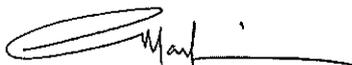
Mayor Ann Ferguson
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2014, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, 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*.

Dated 30th August 2014



Graeme Martin
EXECUTIVE OFFICER



Mayor Ann Ferguson
PRESIDENT