



2014/15  
**Annual Report**

# ***Acknowledgement of Country***

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





## **Content**

Mayor's Message	04
Strategic Management	06
Highlights and Achievements	09
Elected Members	14
Governance	16
Council Documents	18
Freedom of Information	20
Executive Team	21
Organisation	22
Decision Making Structure	24
Items Discussed in Confidence	27
Community Engagement	28
Finance	30
Looking Ahead	32
Appendix 1: Key Planned Activities	34
Appendix 2: Strategic Indicators	44
Appendix 3: Financial Statements	46

### **Attachment 1:**

Fleurieu Regional Waste Authority  
Annual Report

### **Attachment 2:**

Southern and Hills Local Government  
Association Annual Report

## **Quick Facts**

**Location** – 80km south of Adelaide

**Population** – approximately 14,440

**Rateable properties** – 10,400 \*  
(\*as at 30 June 2015)

**Operating income** - \$23,930,000

**Operating expenditure** - \$22,328,000

**Area** – 34,634 Hectares

# Mayor's Message

It gives me great pleasure to reflect on the 2014/15 year. I am constantly amazed at the achievements of Council and our community.

The 2014/15 financial year marked the beginning of a new chapter for the City of Victor Harbor. Local Government elections were held across South Australia in November 2014, resulting in a change to the make up of our council members. While four members retained their position as City of Victor Harbor elected members, six new representatives were elected to the governing body.

I would like to take this opportunity to acknowledge the hard work and dedication of outgoing Council members during their term, and welcome new members.

The 2014 elections highlighted that involvement in local decision making is important to our community, with the City of Victor Harbor achieving 50% voter turnout compared to the State average of 32%.

The Council has taken note of this positive message, and has worked to further increase the ways members of community can connect with Council and be involved in local decision making.

A new online consultation hub, "Your Council, Your Say", was introduced in conjunction with a series of listening posts that enabled members of the community to share ideas and concerns with their elected representatives.

We will continue to build on these initiatives, and look forward to hearing more from our community.

Council's 2014/15 achievements built on those of previous years, and reinforce Victor Harbor's position as a place of choice to live, work and play.

While many of our achievements are detailed within this annual report, there are a few achievements worth noting.

- The Fleurieu Regional Aquatic Centre project has progressed significantly with building now underway. The facility is expected to be operational by March 2017.
- Victor Harbor's Mainstreet Precinct was named South Australia's best regional mainstreet



- The City of Victor Harbor Public Library continued to live up to its 2014 title of South Australia's best library with the refurbishment of the children's area resulting in an impressive 40% increase in item circulation.
- Council demonstrated leadership in the digital space, adopting a digital economy strategy to highlight opportunities provided by the introduction of the National Broadband Network in the area.
- A video call function was introduced, which provides the capacity for Council to live-stream civic events.

I would also like to recognise the outstanding contributions of over 460 volunteers who give up an enormous number of hours to assist with council services, programs and initiatives.

The volunteer culture within Victor Harbor is something that fills me with great pride, and I thank all the volunteers who make our Council and community a better place.

Looking ahead, the City of Victor Harbor is in a financially sustainable position allowing for the continuation of current services, as well as allowances in 2015/16 for new projects and capital infrastructure.

I look forward to the opportunities ahead for our Council area, and working with my fellow elected members, Council staff and the community to achieve positive results for Victor Harbor.

Victor Harbor is a great place to live, work and play, and together we can make it even better.

**GRAHAM PHILP**  
Mayor

# Strategic Management

## Vision and Objectives

Our vision describes what we want Victor Harbor 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 has a 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.

Many of Council’s strategic plans are available for viewing at [www.victor.sa.gov.au](http://www.victor.sa.gov.au) or at the Civic Centre, 1 Bay Road, Victor Harbor.

**Diagram: 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

One measure is the completion of Key Planned Activities (KPA). KPA illustrate what Council will focus on to contribute towards achieving our objectives. KPA are generally activities that are reasonably defined and measurable and include key tasks, significant activities or special projects. KPA are not listed under every strategy in every year and it is not intended that every activity of Council is included.

In 2014/15, 135 different KPA were identified. The end of year review shows 85 completed KPA. When the number of cancelled KPA (3), substantially completed KPA (11), and KPA not being completed for reasons outside of Council's control (15) are taken into account the percentage of completed KPA is

82%. This compares with 94% in 2013/14, and 84% in 2012/13. Council's annual performance target being to complete at least 90% of the listed KPA.

A number of factors are identified as having impacted on performance towards completing listed KPA. In addition to the 15 KPA identified as not being on track due to matters outside of Council's control, 15 were due to forecast timelines being ambitious and 18 due to capacity factors including staff/resource numbers and an underestimation of workload against available staff resources.

Organisation wide factors that may have contributed to non completion of KPA include the local government elections in November 2015 and the associated impact of the caretaker period and the settling in of the new council, and the impact of the review of Council's committee structure.

A detailed report on 2014/15 KPA, showing status, percentage complete, and reasons for not being on track is included as **Appendix 1** to the Annual Report.

In 2015/16, 134 KPA have been identified to contribute towards achieving Council's long term objectives.

## 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 **table below** shows target ratios set by the Council as well as the Council's performance against these ratios over the past three years.

### Operating Surplus Ratio

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, excluding the Natural Resource Management 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 9% was achieved in 2014/15, within Council's longterm targets, but more than the medium term target due to financial assistance grants received in advance for 2015/16 as well as uncompleted projects.

**Table: Financial Indicators**

Ratio	2014/15	2013/14	2012/13	Medium Term Target (3-5 years)	Long Term Target (5-10 years)
Operating Surplus	9%	5.1%	0.7%	Breakeven 0.0%	Between 5.0% - 15%
Net Financial Liabilities	39%	55.6%	67.4%	Less than 75%	Less than 50%
Asset Sustainability	64%	73.4%	51.4%	80% Average (3 years)	Over 80% Average

### *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 39% was achieved in 2014/15, within Council targets, continuing the reduction from previous years. Incomplete capital projects reduced the requirement for borrowings and the use of cash advance debentures over the past few years has allowed Council to better manage its cash flow without the need for fixed term loans.

### *Asset Sustainability Ratio*

In the 2014/15 financial year, required expenditure in Council's Asset Management Plans was used as the comparison figure rather than depreciation. Using Asset Management Plans rather than depreciation allows for peaks and troughs normally associated with ongoing maintenance and replacement of assets.

A low ratio may indicate a focus on new capital projects rather than replacement of asset, or incomplete replacement works.

Council achieved a ratio 64% in 2014/15, which did not meet Council's target of over 80%. A number of capital projects were incomplete as at 30 June 2015, negatively affecting the ratio.

### **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 2014/15 highlights under 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
- Department of Communities and Social Inclusion
- Australian Government

### **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.

**Appendix 2** demonstrates how council performed against its strategic indicator targets in 2014/15.

Council achieved seven of the 11 targets for which data was available in 2014/15. In relation to the four indicators for which targets were not met:

- Increase in % of the population unemployed reflects broader state and national trends in levels of unemployment.
- Reduction in the number of people employed in local businesses is consistent with the increase in levels of unemployment.
- Reduced quantity of storm water and waste water reused by Council in 2014/15 compared to 2013/14 reflects low rainfall in 2013/14 and the need for more frequent watering of reserves.
- Low Asset Sustainability Ratio was the result of a number of capital projects incomplete as at 30 June 2015.

As a part of a review of the City of Victor Harbor's Community Plan 2022 in 2015/16, Council will commence the development of a series new indicators to support non financial reporting against Council objectives and strategies.



Southern Communities Transport Scheme - Shopping Bus

# Highlights and Achievements

During 2014/15, the City of Victor Harbor accomplished a number of significant milestones and achievements that will see the council continue to build upon its position as South Australia's premier coastal town.

These highlights and achievements are outlined over the following pages, listed under council's four strategic objectives.

## Objective 1: Building a strong economy and supportive business environment

### *Employment and Economic Development*

- Initiated the Rediscover Granite Island campaign
- Victor Harbor's Mainstreet Precinct was named SA's best regional mainstreet
- The Mainstreet Precinct Master Plan was endorsed by Council
- Completed an 'ideas generating' consultation – 'What is it about this place!?!' – for the City Branding project



Rock N Roll Festival

SA's Best Regional Mainstreet

- Launched an online booking service that will open up Victor Harbor's tourism businesses to a global market through [holidayatvictorharbor.com.au](http://holidayatvictorharbor.com.au)
- Celebrated the 150<sup>th</sup> anniversary of the extension of the Causeway and railway line to Victor Harbor
- Celebrated the 25<sup>th</sup> Anniversary of the South Australian Whale Centre
- The Horse Tram transported more than 71,000 passengers along the Causeway
- Almost 76,000 people visited the South Australian Whale Centre
- The South Australian Whale Centre was awarded two silver medals in the SA Tourism Awards
- Around 1,620 people attended the Whale Time Playtime Festival
- Visitor Information Centre contributed more than \$325,000 in gross bookings for local attractions and accommodation
- More than 156,000 hits to Council's tourism website – [www.holidayatvictorharbor.com.au](http://www.holidayatvictorharbor.com.au) and over 70,000 visitors through the Victor Harbor Visitor Information Centre
- Over 6,000 people attended the Rock N Roll Festival injecting almost \$300,000 into the local economy
- Provided support to 18 community events
- Completed over 2,500m<sup>2</sup> of footpath renewal and new works
- Resheeted over 22,000m<sup>2</sup> of unsealed roads with gravel
- Completed the final stage of the Bay Road reconstruction
- Resurfaced the Ring Road bridge approaches over the Inman River and the off-ramp at the Greenhills Road bridge

## Objective 2: Ensuring the sustainable provision of physical infrastructure and community services

### *Physical Infrastructure*

- Completed the design of automated gates to control inflows and outflows to the Encounter Lakes waterway
- 40 solar panels installed at Council's works depot and 80 panels on the Civic Centre

### *Community*

- Installed a new playground at Grimble Reserve
- Detailed design was completed for the Fleurieu Regional Aquatic Centre project and construction tender awarded
- More than 60,000 items circulated between Victor Harbor Library and other South Australian libraries through the OneCard system

### *Population and Housing*

- Received more than 500 development applications worth more than \$50.6 million

### *Connectivity*

- Southern Communities Transport Scheme (SCOTS) provided over 12,000 passenger trips, representing more than 500,000 passenger kilometres, to more than 1,100 people and 700 carers who were transport disadvantaged
- The reconstruction of Torrens Lane East was completed



# Highlights and Achievements

- A regional youth forum was attended by 140 young people to discuss issues such as bullying, body image, mental health, family conflict, stress and service delivery models
- In collaboration with local services, supported families by providing programs and groups attended by almost 900 people
- 11 groups received funding under the Victor Harbor Community Grants Program for projects that improved the well being of people within the Victor Harbor community
- Processed more than 2,870 dog registrations and 48 dogs were impounded

- More than 2,200 children attended the Victor Harbor Public Library's storytime, babytime and school holiday programs
- In partnership with other member councils of the Southern and Hills Local Government Association completed a Regional Public Health Plan

## Objective 3: Ensuring our environment and lifestyle is protected against the pressures of population growth

### Environment

- A coastal protection trial using concrete blocks to prevent erosion progressed
- Initiated sand replenishment of eroded dune areas to protect against future erosion
- Kondoli interpretive signage installed at Kleinig's Hill Lookout
- Coastal Natural Resource Management biodiversity project continued
- Continued the beach access improvement program
- Continuation of the Oral History program with an additional 12 interviews undertaken



Grimble Reserve Playground



Fleurieu Regional Aquatic Centre

- The Heritage Incentives Grant Scheme contributed to the restoration of four heritage listed properties within the council area.

#### *Community*

- Children's area in library refurbished resulting in a 40% increase in item circulation
- More than 1,900 people attended a variety of youth events such as Wet Paint Youth Theatre, Youth Showcase Extravaganza, Fusion Youth Music Event and Blue Light Discos
- Youth Advisory Committee members volunteered more than 6,200 hours

in support of local youth initiatives

- More than 470 volunteers provided their time to support various Council programs and activities or participate on Council advisory committees
- Volunteer Week Small Grants assisted 34 community groups to recognise the contributions of more than 1,000 volunteers
- Almost 13,500 hours of volunteer support was provided to more than 170 frail aged and socially isolated older people

- Provide 9 placements for trainees and apprentices
- Received more than 1,000 responses to Council consultations
- Introduced electronic agendas, emails, intranet and laptops for elected members to increase efficiencies and reduce costs
- Conducted 6 citizenship ceremonies for 30 new citizens
- Held 20 Council meetings (ordinary and special)

#### *Service Delivery*

- Council identified and conducted a number of service reviews across the organisation to ensure it can deliver services against agreed quality and cost, at the same time as promoting continuous improvement
- Upgraded Council's website to make it mobile and tablet device friendly

## **Objective 4: Providing leadership, service delivery and organisational management that underpins our strategic directions**

#### *Governance and Community Leadership*

- Achieved voter participation of over 50% in the 2014 council election compared to the state average of 32%
- A comprehensive review of Council's Section 41 Committees was undertaken, resulting in a restructure of the committees from 13 to 5 to achieve significant efficiencies
- Launched Council's new online consultation hub - [yoursay.victor.sa.gov.au](http://yoursay.victor.sa.gov.au)

#### *Organisational Development and Workforce*

- Completed an Organisational Records Management Plan
- Continued to develop the organisation's Work Health Safety system and achieved a claims bonus of approximately \$70,000



# Elected Members

The Council is comprised of a Mayor and nine Councillors who are responsible for a variety of functions in accordance with the Local Government Act 1999 and Regulations. Elections for Council Members are held every four years in accordance with the Local Government (Elections) Act 1999.

A general election was conducted in November 2014. The next general election will be held in 2018.

The elected members during 2014/15 are outlined in the tables below.

## 1 July - 7 November 2015

Mayor Philp
Cr Barbara Bond
Cr Pat Chigwidden
Cr Karen Dutton
Cr David Hall
Cr Peter Lewis
Cr Bob Marshall
Cr Chris Sedunary
Cr Daniel Shepherd
Cr Tim Telfer

## 24 Nov 2014 - 30 June 2015

Mayor Philp
Cr Terry Andrews
Cr Peter Charles
Cr Pat Chigwidden
Cr Karen Dutton
Cr Tim Glazbrook
Cr Nicholas Hayles
Cr Moira Jenkins
Cr Bob Marshall
Cr Carol Schofield



Elected Members (1 July to 7 November 2014)

## Elected Member Allowances

Elected Members are paid an annual allowance as determined by the Remuneration Tribunal on a four yearly basis, in accordance with Section 76 of the Local Government Act 1999.

The Remuneration Tribunal, in determining allowances, has regard to the role of members, the size, population, revenue as well as relevant economic and social factors in the Council area. In 2014/15 Elected Members received the following allowances:

- Mayor - \$51,200.00
- Deputy Mayor - \$16,000.00
- Presiding member of a prescribed Committee – \$16,000
- Councillors - \$12,800.00
- Councillor who is the presiding member of a Section 41 Committee that is not a prescribed committee – \$12,800 plus \$150 per meeting up to \$900

In addition Council Members are entitled to other support including reimbursement of travel and child care expenses. Council's Elected Member Allowances and Support Policy sets out a comprehensive summary of the provisions of the Local Government Act 1999 and the Regulations in respect to elected member allowances, expenses and provision of facilities, support and benefits. It also provides the circumstances under which Council approves the reimbursement of additional expenses on a discretionary basis.

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

City of Victor Harbor hold their ordinary council meetings on the fourth Monday of the month from 5.30pm. During 2014/15 there were 12 Ordinary meetings and 8 special meetings.

1 July - 7 November 2015	
<b>Total number of meetings</b>	<b>5</b>
Mayor Philp	5
Cr Barbara Bond	5
Cr Pat Chigwidden	5
Cr Karen Dutton	5
Cr David Hall	5
Cr Peter Lewis	5
Cr Bob Marshall	5
Cr Chris Sedunary	3
Cr Daniel Shepherd	3
Cr Tim Telfer	5

24 Nov 2014 - 30 June 2015	
<b>Total number of meetings</b>	<b>15</b>
Mayor Philp	14
Cr Terry Andrews	15
Cr Peter Charles	15
Cr Pat Chigwidden	14
Cr Karen Dutton	9*
Cr Tim Glazbrook	14
Cr Nicholas Hayles	14
Cr Moira Jenkins	14
Cr Bob Marshall	14
Cr Carol Schofield	13

\*Councillor Dutton had a leave of absence from June to August 2015

## Elected Member Training

The following is a record of Elected Member attendance at legislated training during 2014/15.

Training	Date	Mayor G Philp	Cr T Andrews	Cr P Charles	Cr P Chigwidden	Cr K Dutton	Cr T Glazbrook	Cr N Hayles	Cr M Jenkins	Cr B Marshall	Cr C Schofield
Elected Member Induction (Part 1)	17/11/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elected Member Induction (Part 2)	19/11/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Local Government Training with KelledyJones (Team work, legal necessities and meeting procedures)	2/12/2014	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Please note, attendance records were not available for the council between 1 July 2014 and 7 November 2014.*



**Elected Members (24 November 2014 to 30 June 2015)**

**Contact details for City of Victor Harbor  
Elected Members are available online at  
[www.victor.sa.gov.au/electedmembers](http://www.victor.sa.gov.au/electedmembers)**

# Governance

## Procured Goods and Services

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

Goods and services that have been contracted out or have been subject to a competitive process are provided below:

- Supply and install of safety beam barriers
- Vehicle and plant acquisitions
- Engineering design and documentation services
- Kerb, guttering and footpath construction and repairs
- Solar panels
- Urban design consulting services
- Design and installation of inter-location communication infrastructure
- Playground auditing
- Tree and stump removal
- Landfill disposal investigation
- Weed control
- Supply and install playground equipment
- Supply of bronze plaques
- Tree removal
- Soldiers' Memorial Gardens monument restoration
- Strategic Planning Consulting Services
- Mechanical services
- Encounter Lakes inspection
- inlet/outlet chamber
- Design of replacement gate mechanism at Encounter Lakes
- Supply and installation of beach access ramps
- Coastal protection works
- Traffic management consulting
- Seedling supply
- Debt collection services
- Installation and supply of signage
- Aborist
- Water source feasibility assessment
- Excavation works
- Quarry products
- Visitor booking system
- Landscaping services
- Site contamination assessment services
- Fleurieu Regional Aquatic Centre construction services
- Website development
- ICT hardware and software
- Hygiene services
- ICT assistance
- Street furniture
- Water testing
- Energy audit
- Supply of post and rails
- Fuel
- Geotechnical investigation and pavement design
- Legal workshop (property)
- Dog park fencing
- Human resource consulting
- Line marking services
- Conduit for power
- Cleaning services
- Alarm monitoring and response management
- Security patrol services

## 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 2014/2015 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 subject to variation as Community Land within the Register during 2014/15.

Assess No.	Certificate of Title	Lot	Plan	Community Land Status	Description
A8272	CT5150/618	755	D38068	Yes	Franklin Island Pump Station. 35 Bartel Blvd, Encounter Bay. Area 638.5 m <sup>2</sup>
A12753	CT6149/221	503	D95071	Yes	Franklin Island Reserve and Lake. Lot 503 Central Drive, Victor Harbor. Area 25,726.5 m <sup>2</sup>
A12247	CT6084/106	48	D87402	Revoked	Roadside Boundary Reserve. Lot 48, Cameron Court, Encounter Bay. Area 17.4 m <sup>2</sup>
A12238	CT6084/107	49	D87402	Revoked	Roadside Boundary Reserve. Lot 49, Shields Crescent, Encounter Bay. Area 20.6 m <sup>2</sup>



SA Whale Centre

# Council Documents

## Registers and Codes

The following Registers and Codes are required to be kept by Council under the Local Government Act 1999 and other relevant legislation:

### Registers

- 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 Interest - Officers
- Register of Elected Member Allowances and Benefits
- Register of Land Management Agreements
- Register of Development Applications
- Council's Delegations Register

### Codes

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

## Documents Available for Public Inspection

The following documents are made available for public inspection at the council office or on council's website, [www.victor.sa.gov.au](http://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 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 Policy
- Asset Management Policy
- Budget Reporting and Amendment
- Car Parking Fund
- Civic Centre Room Availability
- Community Grant Policy
- Cross Over Policy
- Complaints Handling Policy
- Internal Review of Council Decision Procedure
- Contact and Tender Policies
- Council Sporting Leases – Obligations and Responsibilities
- Debt Recovery Policy
- Donations Policy
- Ecological Sustainable Development Policy
- 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
- Enforcement Policy
- Footpath Policy
- Fraud and Corruption Prevention Policy
- Graffiti Management Policy
- Kerbside Waste Collection Policy (FRWA)
- Light Fleet, Plant and Heavy Vehicles Changeover Replacement
- Major Events and Festivals
- Media Policy
- Order Making Policy
- Parks and Street Furniture Donation Policy
- Privacy Policy
- Procurement Policy
- Prudential Management Policy
- Public Consultation Policy
- Records Management Policy
- Reimbursement of Elected Member Expenses Policy
- Renewable Energy and Economic Development Policy
- Risk Management Policy
- Road Naming Policy
- Rural Property Addressing – Road Signage Management Policy
- Sale and Disposal of Council Land and Other Assets
- Safe Environment Policy
- Signage Policy
- Social Media Policy
- Street Permit Policy
- Street Traders Policy
- Treasury Policy
- Tree Management Policy
- Unreasonable Complainant Conduct Management Policy
- Volunteer Policy
- Whistleblower Protection Policy



# 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 11 applications under the Freedom of Information Act from 1 July 2014 to 30 June 2015.

Summary of Access determinations:

- 10 applications were granted full access.
- 1 application was refused access under Section 20 of the Freedom of Information Act as the document was not held by the Council.

## Internal review of Council decisions

During the year Council received one application for review of a Council decision under Section 270 of the Local Government Act 1999.

This application was denied under Council's procedures as the matter was being considered under other statutory processes, namely the Environment Resources and Development Court.

Council's Internal Review of a Council Decision Procedure is available at [www.victor.sa.gov.au](http://www.victor.sa.gov.au).



# Executive Team



City of Victor Harbor Senior Management Team (L-R): Glenn Sandford, Graeme Maxwell, Graham Pathuis and Kate Jessep

## **Graeme Maxwell**

**Chief Executive Officer**  
Dip. Local Govt. Admin.  
Professional Certificate in  
Management  
F.L.G.M.A

## **Kate Jessep**

**Director Corporate and  
Community Services**  
Bachelor of Arts (Politics and  
Modern History)  
Grad. Dip. Urban and Regional  
Planning  
Grad. Dip. Human Resource  
Management

## **Glenn Sanford**

**Director Environment and  
Infrastructure**  
Professional Business  
Management  
Engineering, Municipal  
Management  
J.P.

## **Graham Pathuis**

**Director Planning and  
Regulatory Services**  
Dip. Applied Science  
(Environmental Health and  
Building Surveying)  
Grad. Dip. Urban and Regional  
Planning

# Organisation

## 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:

- Chief Executive Officer
- Director of Corporate and Community Services
- Director of Environment and Infrastructure
- 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 Chief Executive Officer receives one week's additional leave per annum and the Director of Corporate and Community Services receives additional financial compensation for deputising for the Chief Executive Officer 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:

- Chief Executive Officer – November 2017
- Director Corporate and Community Services – September 2017
- Director Environment and Infrastructure - September 2019
- 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 inspection upon request.

## Human Resources and Staff Levels

The City of Victor Harbor is one of the city's major employers. At 30 June 2015 council employed 135 staff equalling 99.5 full time equivalents.

Over 460 volunteers provided support to activities such as the Horse Tram Operation, Visitor Information Centre, SA Whale Centre, Library, Southern Communities Transport Scheme, graffiti removal programs, community service programs, tidy towns projects and, river and coastal protection initiatives.

## Industrial Relations

There were no matters referred to the SA Industrial Relations Commission during the 2014/15 financial year.

## 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 2014/15 were in the areas of records management, emergency control, accident/incident investigation, procurement, audio metrics, higher education, vocational training, technical and general training, and work health and safety.

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 eight workers compensation claims amounting to 27 days lost time due to injury in the period 2014/15.

This represents a small increase in lost time from the previous year where there were nine workers compensation claims and 26 days lost time. These figures were within Council's targets for the period.

## Traineeships and apprentices

Council supported nine individuals in traineeship and apprenticeship opportunities in 2014/15 within six 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.



# Decision Making Structure

Council makes decisions directly or indirectly through the following mechanisms:

- Council Meetings (Strategic Planning, Financial Plans, Budget, Policies etc)
- Section 41 Committees
- Regional Subsidiaries
- Development Assessment Panel
- Authorised Officers via appointment of the Chief Executive Officer
- Chief Executive Officer through delegated authority of the Council (including sub-delegation to Council Officers)
- Regional Representation

Details of the Committees established by Council are provided below.

## 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

*(From 1 July to 13 October 2014)*

Cr David Hall (Chair)  
Cr Peter Lewis  
Cr Daniel Shepherd  
Ross Haslam  
Jeff Lucy

*(From 1 December 2014 to 30 June 2015)*

Cr Tim Glazbrook (Chair)  
Cr Moira Jenkins  
Cr Nicholas Hayles  
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 five times during the year. Meetings were held on a quarterly basis with an additional meeting in October 2014 to review the 2013/14 Financial Statements.

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 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 requirements that apply to the committee. In the case of the City of Victor Harbor, Section 41 committees play an advisory role to assist Council in its decision making.

Section 41 committee meetings are open to the public. Meeting times, agendas and minutes are provided on Council's website and are available to be viewed in hard copy at the Civic Centre.

During the 2014/15 financial year, the City of Victor Harbor undertook a review of its Section 41 committee structure. The review resulted in a number of changes, namely reducing the number of Section 41 Committees from 10 to five.

Prior to the November 2014 election, Council's Section 41 committee structure included the following:

- **Fleurieu Region Community Services Advisory Committee** (Comprising 2 City of Victor Harbor Elected Members, 1 City of Victor Harbor Staff Member, 2 Alexandrina Council Elected Members, 1 Alexandrina Staff Member, 1 District Council of Yankalilla Elected Member, 1 District Council of Yankalilla Staff Member, 1 Health and Community Services Representative)
- **Recreation Centre Management Committee** (Comprising 2 Elected Members and 5 Community Representatives)
- **Southern Communities Transport Scheme Committee** (Comprising 1 City of Victor Harbor Elected Member, 1 Alexandrina Council Elected Member, 1 City of Victor Harbor Staff Member, 1 Alexandrina Council Staff Member, 1 Department for Communities and Social Inclusion Representative, 3 volunteers from the Scheme and two service users or community members)
- **Economic Development Committee** (Comprising 2 Elected Members and 6 Community Representatives)
- **Victor Harbor Tourism Committee** (Comprising 2 Elected Members and 6 Community Representatives)
- **South Australian Boating Facilities Working Party** (Comprising 2 Elected Members and 7 Community Representatives)
- **Recreation and Sport Committee** (Comprising 2 Elected Members, 10 Community Representatives and 2 Council Staff)
- **Community Library Advisory Committee** (Comprising 2 Elected Members and 3 Community Representatives)
- **Heritage Advisory Committee** (Comprising 2 Elected Members, 3 Community Representatives and 1 Council Staff)
- **Disability Access Committee** (Comprising 2 Elected Members, 4 Community Representatives and 3 Council Staff)
- **Horse Tram Advisory Committee** (Comprising 2 Elected Members, 5 Community Representatives and 1 Council Staff)
- **Old School Building Community Management Committee** (Comprising 2 Elected Members, unlimited user group representatives and 1 Council Staff)

The review process was about creating efficiencies without compromising community involvement in local decision making. Following the introduction of the new Council and conclusion of the review process, Council's Section 41 Committee structure includes:

- **Fleurieu Region Community Services Advisory Committee** (Comprising 2 City of Victor Harbor Elected Members, 1 City of Victor Harbor Staff Member, 2 Alexandrina Council Elected Members, 1 Alexandrina Staff Member, 1 District Council of Yankalilla Elected Member, 1 District Council of Yankalilla Staff Member, 1 Health and Community Services Representative)
- Sub-Committee: Youth
- **Southern Communities Transport Advisory Committee** (Comprising 2 City of Victor Harbor Elected Members, 3 SCOTS Volunteers, 1 Community Representative and 2 Alexandrina Council Elected Members)
- **Environment and Infrastructure Advisory Committee** (Comprising 4 Elected Members and 7 Community Representatives)
- Sub-Committee: Recreation and Sport
- **Economic Development and Tourism Committee** (Comprising 4 Elected Members and 8 Community Representatives)

- **Recreation Centre Management Committee** (Comprising 2 Elected Members and 5 Community Representatives)

The City of Victor Harbor Mayor is ex-officio for all Section 41 Committees.

## 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.

- Work Health and Safety
- Enterprise 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
- Victor Harbor High School Governing Council
- Victor Harbor R-7 School Governing Council
- Encounter Youth (Schoolies Week)
- Australian Coastal Councils Association (formerly Sea Change Taskforce)

- Victor Harbor Coastcare
- Friends of the Victor Harbor Public Library

## Regional Representation

- Fleurieu Peninsula Tourism Marketing Committee
- Southern and Hills Local Government Association – Roads Working Party
- Southern Fleurieu Youth Advisory Committee
- Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo 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.

# 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 2014/15 the City of Victor Harbor convened 12 ordinary and eight special meetings at which a total of 407 items were considered. The public was excluded from Council meetings for 19 agenda items. Fourteen of these items 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 (right).

**Table: Confidential Items Clauses**

Section items considered under	No. of items
(a) Personal affairs	2
(b) Commercial advantage	1
(c) Trade secret	1
(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	
(k) Tenders for supply of goods or services	5
(m) Amendment to Development Plan	1
(n) Freedom of Information Act 1991	
Considered under a combination of the sections above - (a) & (g)	1
Considered under a combination of the sections above - (a) & (b)	1
Considered under a combination of the sections above - (a) (g) & (h)	1
Considered under a combination of the sections above - (a) (g) & (j)	1
Considered under a combination of the sections above - (a) & (h)	1
Considered under a combination of the sections above - (b) & (h)	1
<b>Total</b>	<b>19</b>

# 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 2014/15 council received close to 1000 responses for its consultation activities. Consultations were advertised in the local paper, in Victor Viewpoint (Council's monthly 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 2014/15 the following deputations were made to Council:

Date	Subject
27 January 2015	Victor Harbor Men's Shed (Dennis Williams and John Mardell)
27 January 2015	Fleurieu Regional Aquatic Centre (Mike McRae)
23 February 2015	Granite Island (Merri Kain)
23 February 2015	Boating Facilities Working Party (Tim Telfer)
23 March 2015	Fleurieu Festival of Sports (Trevor Mayhew)
27 April 2015	Boating Facilities Working Party (Tim Telfer)
27 April 2015	Proposal for Granite Island (Oceanic Victor)
25 May 2015	Star Club Field Officer Program (Jeremy Bell)



## 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 45 questions raised by members of the gallery at Council meetings during 2014/15.

## 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](http://www.victor.sa.gov.au).

In 2014/15, the following petitions were submitted to Council:

Date	Subject
28 July 2014	Torrens Lane East
22 September 2014	Aldi Supermarket
27 October 2014	Aldi Supermarket (received further submissions for petition submitted in September)
23 February 2015	Granite Island Kiosk/Cafe
23 March 2015	Closure of Granite Island Kiosk/Cafe

## 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	18,887	1,573
Yankalilla District Council	9	3,944	438
Barossa Council	12	16,803	1,400
Berri Barmera	9	7,300	811
Copper Coast	11	10,385	944
Light Regional Council	11	9,948	904
Loxton Waikerie	11	8,165	742
Murray Bridge	10	13,447	1,344
Port Pirie	10	12,361	1,236
Wattle Range	12	8,540	711
Yorke Peninsula	12	9,321	766
<b>City of Victor Harbor</b>	<b>10</b>	<b>11,714</b>	<b>1,171</b>



Listening Posts

# Finance

Council prepared its 2014/15 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 2022 and Long Term Financial Plan, as well as Council policies.

The 2014/15 Statement of Comprehensive Income indicates operating income of \$23,930,000 and expenses of \$22,328,000 resulting in an Operating Surplus of \$1,602,000.

## Rates

Council's total rate revenue (including NRM Levy) increased from \$17.5 million in 2013/14 to \$18.5 million in 2014/15, a total increase of 5.8%.

Council adopted the Valuer-General's total capital valuation of the district of \$3,908,995,260 of which \$3,774,306,800 is rateable, representing a total valuation increase of 0.78%.

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 land use categories outlined in the table (above).

**Table: Differential General Rates**

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

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

- Average rates across all categories increased by 5%
- Average residential rates increased by 4.4%
- The differential rate applied to vacant land increased from 40% to 50%

## Other Revenue

The City of Victor Harbor is heavily reliant on rate revenue as the main source of income with rate revenue representing 77% of the Council's total revenue.

The other 23% of revenue was received through a combination of the following:

### User Pay Charges - \$2.1 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 - \$0.5 million

Includes development lodgement and assessment fees, dog registration, property searches and expiations

### Grants - \$1.8 million

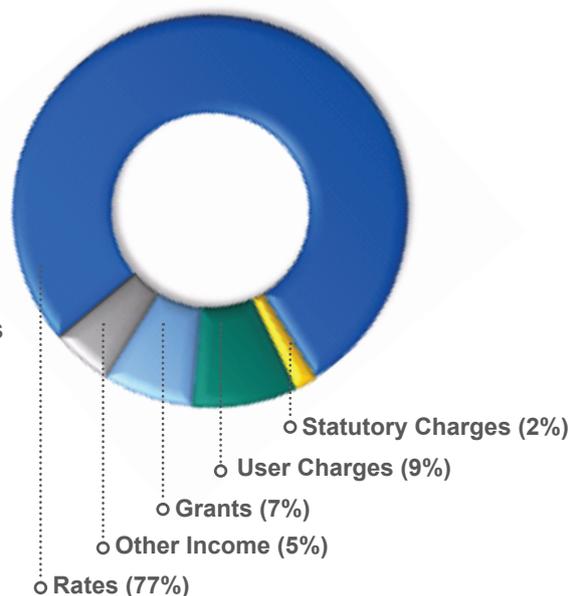
Includes grants for library, community, tourism, roads and environment projects and Financial Assistance Grants

### Other Revenue - \$1 million

Includes interest on investment deposits, donations and sponsorships, and reimbursements from the community, government and other councils.

The following chart shows the distribution of revenue received by category:

**Graph: Distribution of Revenue**



## Borrowings

Council continued to reduce debt with no new loans being taken out in 2014/15 for Council projects and loan principal repayments of \$1.3 million made during the year.

The following graph shows the reduction in debt over the past four 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 \$1.2 million, representing \$1.9 million of subdivision infrastructure received from developers, offset by a reduction in the carrying value of road and open space assets due to revaluations conducted through the year.

**Graph: Debt Reduction**



# Looking Ahead

## What we will do in 2015/16

Council has a vision for Victor Harbor to be a thriving and sustainable regional coastal centre offering a wide range of attractive, high amenity lifestyle choices to our local community, wider Fleurieu region, our visitors and future generations.

To work to achieve this vision the City of Victor Harbor will invest \$24.5 million in operating expenses and a net \$10.5 million in capital works.

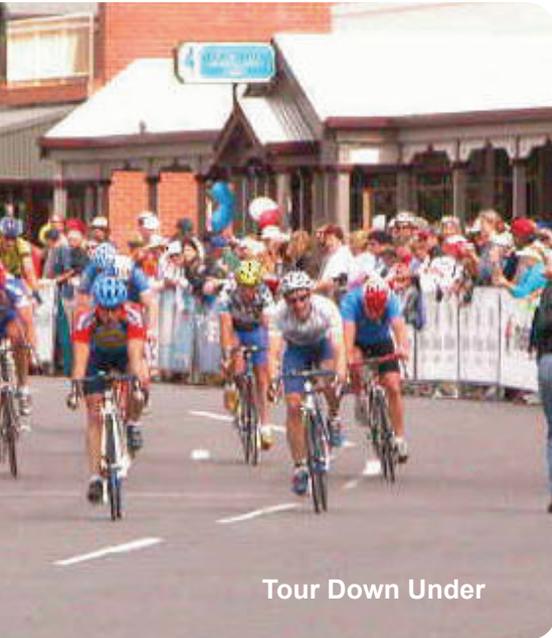
A selection of activities that the Council intends to undertake in 2015/16 is provided below.

For a complete list of Key Planned Activities refer to the 2015/16 Annual Business Plan at [www.victor.sa.gov.au](http://www.victor.sa.gov.au) or view a hard copy at the Civic Centre, 1 Bay Road, Victor Harbor.

## We will build a strong economy and supportive business environment by

- Developing an Economic Development Strategy and implementing priority initiatives
- Undertaking civil works for Stage 1 of the Victor Harbor Mainstreet Precinct Master Plan
- Implementing the Digital Economy Strategy to promote the opportunities for business and grow Victor Harbor's digital economy
- Hosting a stage finish of the 2016 Santos Tour Down Under and Bupa Challenge Tour
- Delivering major events including the WhaleTime PlayTime Festival and Rock 'N Roll Festival.
- Commencing a traffic and parking management strategy including town centre car parking
- Completing Stage 1 of the Ocean Road reconstruction
- Extending the Bluff Boat Ramp Car Park
- Constructing a temporary boat holding area off The Bluff breakwater





Tour Down Under

**We will ensure the sustainable provision of physical infrastructure and community services by**

- Completing the final stage of the Coast Safety Signage upgrade
- Partnering with the City of Onkaparinga to deliver school based immunizations
- Supporting the Fleurieu Families Program
- Undertaking playground development and upgrades
- Improving disability access by upgrading targeted footpath areas, and areas requiring additional disabled car parks
- Redeveloping the central plaza area of Soldiers' Memorial Gardens
- Upgrading the Recreation Centre floor, emergency exits, carpets, curtains and rollerdoors

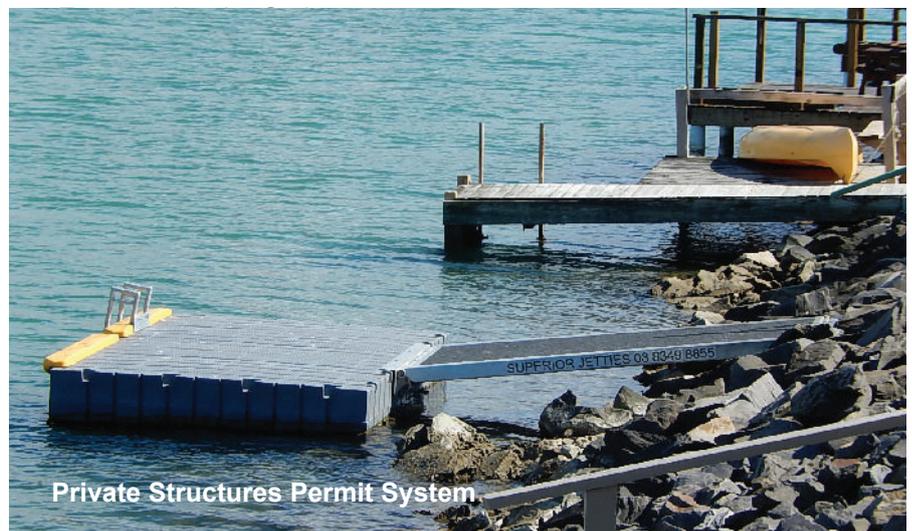
- Coordinating construction of the Fleurieu Regional Aquatic Centre in cooperation with Alexandrina Council
- Upgrading the tennis/netball courts at the Victor Harbor Oval to provide safe playing facilities

**We will ensure our environment and lifestyle is protected against the pressures of population growth by**

- Completing a Residential Review and commencing a Residential Development Plan Amendment (DPA)
- Developing a Victor Harbor Climate Adaption Plan
- Establishing an Arts and Culture Community Grant Scheme
- Organising the New Year's Eve celebration event at Warland Reserve
- Refurbishing the youth area in the Victor Harbor Public Library
- Supporting the Southern Fleurieu Youth Advisory Sub-Committee
- Working collaboratively with the Child Friendly Cities Pilot Project

**We will provide leadership, service delivery and organisational management that underpins our strategic direction by**

- Introducing a private structures permit system for jetty and pontoon facilities in the Encounter Lakes and Franklin Island waterways
- Regularly reviewing our policies to ensure they meet legislative requirements and reflect any legislative changes
- Reviewing Council's Community Plan 2022
- Coordinating a series of listening posts to help the community better connect with Council
- Enhancing Council's information communication technology capacity through the installation of optic fibre cabling
- Implementing priority outcomes from the economic development and tourism service review



Private Structures Permit System

## Appendix 1: Key Planned Activities

2014/15 Key Planned Activities	Status	% Complete	Causative Factor (ONLY if not on track)	Definition (ONLY if not on track)	Additional Comments (if not on track)
<b>Objective 1 A strong economy and supportive business environment</b>					
<b>EMPLOYMENT AND ECONOMIC DEVELOPMENT</b>					
<b>1.1 Support an increase in appropriate business investment and employment opportunities</b>					
Facilitate ongoing planning for the Sculptures Encounter event (1.1.1)	On Track	Completed			
Complete the Economic Development Strategy (1.1.2)	Not on Track	70%	Timeline	Forecast timelines ambitious	Awaiting finalisation of service review. Included in 2015/16 as KPA 1.1.2
Implement priority initiatives under the Mainstreet Precinct Action Plan (1.1.3)	On Track	Completed			
Complete the Centres Review Development Plan Amendment (1.1.4)	Not on Track	90%	Environmental	Matters outside of the organisations control	DPA lodged for approval with Minister. Infrastructure agreements yet to be resolved. Included in 2015/16 as KPA 1.1.4
Prepare detailed design and documentation for a nominated stage of the Mainstreet Precinct Master Plan (1.1.5)	On Track	Completed			
<b>1.2 Promote Victor Harbor's competitive advantages in order to encourage new businesses and industries</b>					
Develop a City branding strategy (1.2.1)	Not on Track	50%	Timeline	Forecast timelines ambitious	To be completed in 2015/16
Prepare a business case for the development of an underwater observatory facility on/adjacent to Granite Island (1.2.2)	Cancelled	N/A	Environmental	Unexpected external factors (legislative changes etc.)	Deferred due to Oceanic Victor Harbor Proposal. 2015/16 KPA 1.3.3 to consider securing long term future of Victor Harbor as key tourist attraction.
Build awareness of and encourage investment in employment and education opportunities linked to Victor Harbor's ageing demographic, coast and marine areas and environmental assets (1.2.3)	Not on Track	10%	Capacity	Related to staff/resource numbers	Opportunities for investment attraction to be considered in 2015/16. Will provide input into RDA Tapping Demographic Dividend Project.
<b>1.3 Plan for an improved range of and access to services</b>					
Monitor and evaluate the trial public access agreement with local caravan parks for a free public accessible RV and caravan effluent disposal point (1.3.1)	Not on Track	90%	Timeline	Forecast timelines ambitious	Included as KPA 1.3.1 in 2015/16
<b>1.4 Encourage improved reputation and business climate</b>					
Organise and stage the 2015 Whale Time / Play Time Festival (1.4.1)	On Track	Completed			
Organise and stage the Rock & Roll Festival/Event (1.4.2)	On Track	Completed			
Design and upgrade signage on outside wall of the Visitor Information Centre building facing the Esplanade Car Park (1.4.3)	On Track	Completed			
Deliver a business way-finding signage project for the Maude Street Enterprise Precinct (1.4.4)	On Track	Completed			
Deliver the Mainstreet Precinct way-finding signage project (1.4.5)	Not on Track	90%	Timeline	Forecast timelines ambitious	One sign installed, 2nd is built but will be installed with stage 1 mainstreet upgrade
<b>1.5 Support business linkages through partnerships and collaboration</b>					
Develop combined and packaged ticketing opportunities for marketing and sale through the Visitor Information Centre (1.5.1)	On Track	Completed			
Participate in the Fleurieu Peninsula Tourism Committee, regional tourism plan and activities (1.5.2)	On Track	Completed			
<b>POPULATION AND HOUSING</b>					
<b>1.6 Plan for appropriate housing stock and diversity to meet current and projected needs</b>					
Complete the Better Development Plan DPA (1.6.1)	Not on Track	50%	Capacity	Related to staff/resource numbers	Included as KPA 1.6.1 in 2015/16
<b>1.7 Encourage an increase in the proportion of permanent residents</b>					
<b>CONNECTIVITY</b>					
<b>1.8 Support improved information communication technology services</b>					

Advocate for improved broadband services in the community and work with the NBN Co and neighbouring Councils to maximise its potential on the Fleurieu (1.8.1)	On Track	Completed			
<b>1.9 Negotiate for improved regional transport connections</b>					
<b>1.10 Integrate transport services and land use planning</b>					
Commence a traffic and parking management strategy including town centre car parking (1.10.1)	Not on Track	20%	Capacity	Related to staff/resource numbers	Included as KPA 1.10.1 in 2015/16
<b>1.11 Develop and maintain safe road, cycle and pedestrian corridors and networks</b>					
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			
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			
Complete road maintenance identified from condition assessments and associated Asset Management Plan (1.11.3)	On Track	Completed			
Review Council's Engineering Design Guidelines (1.11.4)	Not on Track	20%	Timeline	Forecast timelines ambitious	Low priority
Complete bridge maintenance as identified from condition assessments and associated Asset Management Plan (1.11.5)	On Track	Completed			
Undertake Stage 2 of Bay Road Reconstruction (1.11.6)	On Track	Completed			
Undertake Pine/Riverview Road roundabout construction and pavement upgrade (1.11.7)	On Track	Completed			
Undertake George Main Road footpath renewal and upgrade including Armstrong Road pedestrian refuge (1.11.8)	On Track	Completed			
Complete traffic management device maintenance and replacement as identified from condition assessments and associated Asset Management Plan (1.11.9)	On Track	Completed			
Complete kerb and channel maintenance and replacement as identified from condition assessments and associated Asset Management Plan (1.11.10)	On Track	Completed			
Undertake Ocean Road Reconstruction Stage 1 (1.11.11)	Cancelled	N/A	Financial	Unrealised income	Funding approved and included as KPA 1.11.8 in 2015/16
Undertake Stage 2 of the Foreshore Promenade Bikeway Development Project (1.11.12)	On Track	Completed			
<b>1.12 Advocate for improved public and community transport services</b>					
Provide the Southern Communities Transport Scheme in partnership with Alexandrina Council to assist transport disadvantaged people to access essential services (1.12.1)	On Track	Completed			
Replace Council's community bus, including considering capacity to meet the needs of frail aged and people with a disability (1.12.2)	On Track	Completed			
<b>COMMUNITY</b>					
<b>1.13 Advocate for expanded options to access higher education and skills development.</b>					

2014/15 Key Planned Activities	Status	% Complete	Causative Factor (ONLY if not on track)	Definition (ONLY if not on track)	Additional Comments (if not on track)
<b>Objective 2 The sustainable provision of physical infrastructure and community services</b>					
<b>PHYSICAL INFRASTRUCTURE</b>					
<b>2.1 Stage release of residential land ahead of growth and in line with staged services</b>					
<b>2.2 Plan for and encourage reduced waste generation and increased recovery and reuse of waste</b>					
<b>2.3 Improve stormwater management through retention, detention, and reuse</b>					
Undertake design work for Encounter Lakes gates to replace the existing system and maximise water exchange for improved water quality (2.3.1)	On Track	Completed			
Construct stormwater upgrades as identified in the Urban Stormwater Master Plan and Stormwater Asset Management Plan (2.3.2)	On Track	Completed			
<b>2.4 Maximise reuse of treated wastewater</b>					
Consider opportunities to expand use of re-use water in Council's parks and reserves (2.4.1)	On Track	Completed			
<b>2.5 Encourage reduced energy consumption through energy efficient development</b>					
Install solar panels (stage 1) at Council's Civic Centre to reduce power costs and improve environmental sustainability (2.5.1)	On Track	Completed			
Install solar panels at Council's Depot to reduce power costs and improve environmental sustainability (2.5.2)	On Track	Completed			
<b>2.6 Encourage increased use of sustainable energy sources</b>					
Monitor and review the Community Purchase of Renewable Energy Program (CPREP) for commercial and industrial application (2.6.1)	On Track	Completed			
<b>2.7 Encourage water sensitive urban design and water consumption reduction</b>					
<b>COMMUNITY</b>					
<b>2.8 Facilitate meeting places responsive to community needs</b>					
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	50%	Environmental	Unexpected external factors (legislative changes etc.)	Included as KPA 2.8.1 in 2015/16
Update the City of Victor Harbor Community Venues Study (2.8.2)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources	To be considered for 2016/17
<b>2.9 Encourage coordination, collaboration and the effective provision of and access to health and community services in the local area and region</b>					
Through the Southern Fleurieu and KI Positive Ageing Taskforce encourage coordination of service delivery and collaboration of service providers, including mental health services and services that respond to the needs of older people with dementia (2.9.1)	On Track	Completed			
Complete an update of the Southern Fleurieu Regional Youth Strategy 2007-2010 (2.9.2)	Not on Track	50%	Capacity	Under estimation of workload against available staff resources	To be completed 2015/16
Work with the Southern Fleurieu Youth Advisory Committee and key local agencies to facilitate a series of youth lead forums to seek the views of young people on needs, issues, and health and wellbeing priorities to inform service development and improve service delivery (2.9.3)	On Track	Completed			
Investigate opportunities for relevant funding through State and Commonwealth Government's for the delivery of services for local families and children (2.9.4)	On Track	Completed			

Review and develop priority actions identified in the Fleurieu Families Vulnerable and Disadvantaged Client Access Strategy with particular emphasis on the Indigenous outcomes (2.9.5)	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 (2.9.6)	Not on Track	80%	Timeline	Forecast timelines ambitious	Continuing investigation and implementation of performance evaluation and productivity tools. Included as KPA 2.9.5 in 2015/16
Support the Families Taskforce to develop strategies that promote and facilitate accessible, targeted, and coordinated services for young people and families with children (2.9.7)	Not on Track	40%	Capacity	Related to staff/resource numbers	Included as KPA 2.9.6 in 2015/16
In partnership with other member councils of the Southern Hills Local Government Association (SHLGA) complete a Regional Health Plan as required by the Public Health Act 2011 (2.9.8)	On Track	Completed			
<b>2.10 Promote safe communities through appropriate infrastructure, urban design, crime prevention and police services</b>					
Instigate Coastal Safety Signage Stage 3 in line with Coastal Safety Signage Strategy (2.10.1)	On Track	Completed			
<b>2.11 Plan for the appropriate location of children's services, facilities for the aged, recreation and sporting facilities, education services and cemeteries</b>					
Complete the 2014/15 Playground Development and Upgrade Program in accordance with the Recreation & Open Space Strategy and the Open Space Asset Management Plan (2.11.1)	On Track	Completed			
<b>2.12 Improve access, lifestyle and information services for people with a disability</b>					
Review Council's Disability Discrimination Act Action Plan (2.12.1)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources	To be considered for 2016/17
<b>2.13 Ensure high quality open space and recreation facilities are provided and maintained</b>					
Complete 2014/15 reserve and street furniture upgrade programs as per Recreation and Open Space Strategy and Open Space Asset Management Plan (2.13.1)	On Track	Completed			
Instigate landscape upgrade of Soldiers' Memorial Gardens as per Soldiers Memorial Gardens' Conservation Management Plan and Landscape Design (2.13.2)	Not on Track	50%	Environmental	Matters outside of the organisations control	Additional consultation required. Development approval expected July 2015. Included as KPA 2.13.4 in 2015/16
Undertake Hicks Reserve revegetation as per Hicks Reserve Development Plan and Revegetation Plan, with assistance from volunteers (2.13.3)	On Track	Completed			Hicks Reserve Island (Jagger Dam) revegetated. Further works planned 2016. Included as KPA 2.13.1 in 2015/16
Undertake structural inspections of all of Council's public playground equipment (2.13.4)	On Track	Completed			
Develop open space hierarchy framework and future development and upgrade program (2.13.5)	On Track	Completed			
Complete the Victor Harbor Dog Park (2.13.6)	Not on Track	50%	Timeline	Forecast timelines ambitious	Included as KPA 2.13.7 in 2015/16
Replace external stairs and landing at the Victor Harbor Town Hall (2.13.7)	On Track	Completed			
Replace the Recreation Centre stadium one floor and upgrade emergency exits and roof safety access (2.13.8)	Not on Track	0%	Capacity	Related to staff/resource numbers	Included as KPA 2.13.8 in 2015/16
Replace tram line points adjacent to Esplanade/Tram line junction (2.13.9)	Not on Track	70%	Environmental	Matters outside of the organisations control	To be completed in 2015/16 subject to availability of capital equipment
In cooperation with the Alexandrina Council, coordinate detailed design and planning for the Fleurieu Region Aquatic Centre (2.13.10)	On Track	Completed			

2014/15 Key Planned Activities	Status	% Complete	Causative Factor (ONLY if not on track)	Definition (ONLY if not on track)	Additional Comments (if not on track)
<b>Objective 3 Environment and lifestyle protected against the pressures of projected population growth</b>					
<b>ENVIRONMENT</b>					
<b>3.1 Protect ecological values and biodiversity</b>					
Implement the 2014/15 Tree Planting Program in line with Council's Tree Management Strategy and Streetscape Enhancement Programs (3.1.1)	On Track	Completed			
<b>3.2 Identify and protect heritage, landscape and townscape values</b>					
Provide an expanded Mainstreet Facade Grant Program (3.2.1)	On Track	Completed			
Complete Stages 1 to 3 of the Heritage Interpretation Plaques Project and commence Stage 4 (3.2.2)	On Track	Completed			
Prepare design documentation for development of the Railway Turntable Site, Eyre Terrace (3.2.3)	Not on Track	90%	Timeline	Forecast timelines ambitious	Included as KPA 3.2.3 in 2015/16
Work with the local Aboriginal community to support the protection and knowledge of Aboriginal heritage through environment, recreation and open space projects (3.2.4)	On Track	Completed			
Further facilitate the Oral Histories Program and complete a minimum of five local oral histories to add to the collection (3.2.5)	On Track	Completed			
<b>3.3 Protect and enhance the coastal environment</b>					
Undertake priority works as identified in the Victor Harbor Coastal Management Study, and identify options and seek funding to assist completion of these works (3.3.1)	On Track	Completed			
<b>3.4 Plan for appropriately designed and located mixed density housing which caters to the needs of the community</b>					
Undertake a residential capacity study and key analysis activities in preparation for a Residential Development Plan Amendment (3.4.1)	Not on Track	60%	Environmental	Matters outside of the organisations control	Delayed due to requirement for DPTI mapping, data sharing and resources. Included as KPA 3.4.1 in 2015/16
<b>3.5 Adapt to impacts of climate change</b>					
With consideration of the work being undertaken by the Local Government Association of SA (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	30%	Environmental	Matters outside of the organisations control	External partners are progressing work in this area slower than expected and council staff resources are inadequate to hasten the work required. Included as KPA 3.5.1 in 2015/16
<b>3.6 Encourage development controls which reflect principles of ecologically sustainable development</b>					
<b>COMMUNITY</b>					
<b>3.7 Encourage a vibrant community culture</b>					
Host four major author events at the Victor Harbor Library in order to encourage community literacy and learning (3.7.1)	On Track	Completed			
Develop a City Vibrancy (Arts and Culture Development) Policy (3.7.2)	Not on Track	20%	Capacity	Under estimation of workload against available staff resources	Expect development to commence in 2015/16
Organise and stage a New Years Eve community celebration event and fireworks display (3.7.3)	On Track	Completed			
Support local community celebrations during NAIDOC Week (3.7.4)	On Track	Completed			
<b>3.8 Promote Council services and activities</b>					
Create and implement a membership /annual pass package for locals and visitors to the SA Whale Centre and Horse Drawn Tram (3.8.1)	On Track	Completed			
Complete an interpretive signage display at the Causeway Plaza Horse Tram	On Track	Completed			

Facility (3.8.2)					
Support the staging of a 150th Anniversary event associated with Causeway, Railway Goods Shed and extension of rail line in partnership with SteamRanger (3.8.3)	On Track	Completed			
<b>3.9 Encourage community interaction including participation in sport and recreation opportunities</b>					
Refurbish the Children's and Youth areas in the Victor Harbor Library to increase capacity and maximise children and youth engagement (3.9.1)	On Track	Completed			Refurbishment of children's area completed. Youth area included as KPA 3.9.1 in 2015/16
<b>3.10 Promote concepts of "Connected Communities" and "Communities for All"</b>					
Support the Southern Fleurieu Youth Advisory Committee including the provision of youth leadership and opportunities for young people to develop, implement and participate in arts and cultural activities (3.10.1)	On Track	Completed			
Utilise growth funding under the Commonwealth HACC Program to investigate and trial programs that support isolated older men to develop social connections (3.10.2)	On Track	Completed			
Work with the Child Friendly Cities Pilot Project Team to further establish the Child Friendly Project (3.10.3)	On Track	Completed			
<b>3.11 Ensure a planned response to the impacts of fire, flooding and other emergencies</b>					
Participate in the Fleurieu Bushfire Management Committee in development of the regional bushfire plan (3.11.1)	On Track	Completed			

2014/15 Key Planned Activities	Status	% Complete	Causative Factor (ONLY if not on track)	Definition (ONLY if not on track)	Additional Comments (if not on track)
<b>Objective 4</b>					
<b>Leadership, service delivery and organisational management that underpins our strategic directions</b>					
<b>GOVERNANCE AND COMMUNITY LEADERSHIP</b>					
<b>4.1 Support elected members to fulfil their role as the governing body of Council</b>					
Prepare and deliver an induction program and relevant training to the new Council (4.1.1)	On Track	Completed			
<b>4.2 Ensure efficient legislative compliance</b>					
Review and update Council's Building Inspection Policy to take into consideration the impact of statutory changes to inspection (Truss) regime (4.2.1)	Not on Track	90%	Capacity	Under estimation of workload against available staff resources	To be completed in 2015/16
Continue to enhance systems and practices to monitor legislative compliance (4.2.2)	On Track	Completed			
Continue to expand Council policies to address gaps in Council's policy structure and to address legislative change (4.2.3)	On Track	Completed			
Review Council's Caretaker Policy to reflect legislative updates, and conduct necessary training for staff and elected members (4.2.4)	On Track	Completed			
Implement the Synergy Soft Agendas and Minutes Module to increase legislative compliance and provide workflow efficiencies (4.2.5)	Not on Track	80%	Performance	Failure of contractor/consultant to meet expected outcomes	Working with contractor to achieve expected outcomes. Included as KPA 4.2.2 in 2015/16
Facilitate the 2014 Local Government Elections (4.2.6)	On Track	Completed			
Engage legal services to conduct a review of lease and licensing requirements including a review of Recreation Centre licences and negotiate updated agreements which comply with current legislation (4.2.7)	Not on Track	80%	Capacity	Related to staff/resource numbers	To be completed 2015/16
<b>4.3 Increase participation of the community in local government planning, operations, and elections.</b>					
Facilitate community participation in the 2014 Local Government Elections (4.3.1)	On Track	Completed			
<b>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</b>					
Develop and implement a social media strategy to encourage two-way communication between Council and the community (4.4.1)	Not on Track	50%	Capacity	Under estimation of workload against available staff resources	Strategy developed. Implementation subject to availability of resources.
<b>4.5 Develop inter-governmental and regional relationships</b>					
Participate in investigations into regional collaborative structures in line with the objectives of the Local Government Excellence Program (4.5.1)	Not on Track	30%	Financial	Unrealised income	Funding application to Local Government Research and Development Scheme was unsuccessful. Included as KPA 4.5.1 in 2015/16
<b>4.6 Ensure that Council operates in a strategically planned environment</b>					
Develop and trial a community satisfaction survey to support non financial reporting against Council objectives and strategies (4.6.1)	Cancelled	N/A	Council	Change of strategic direction which may cause conflict with the strategic management plan	Development of measures of success have been deferred and will be developed in association with the preparation of Community Plan 2026 (included as KPA 4.6.1 in 2015/16)
<b>4.7 Foster and demonstrate community leadership</b>					
<b>SERVICE DELIVERY</b>					
<b>4.8 Engage with the community to identify their needs and expectations</b>					
Coordinate the content and maintenance of Council's website to ensure up to date information and maximise consultation exposure to the community (4.8.1)	On Track	Completed			
Review all of Council's websites, consolidate information to a central website where practicable, and create guidelines and criteria for creating new websites (4.8.2)	On Track	Completed			

<b>4.9 Ensure a high and efficient level of service delivery across the organisation.</b>					
Establish organisation-wide records management control and performance measures (4.9.1)	Not on Track	80%	Timeline	Forecast timelines ambitious	To be completed in 2015/16
Increase the sentencing and disposal of records within the records management service (4.9.2)	On Track	Completed			
Implement customer service software across the organisation (4.9.3)	Not on Track	80%	Timeline	Forecast timelines ambitious	Included as KPA 4.9.1 in 2015/16
Purchase scanning equipment to increase staff efficiencies, increase compliance with State Records Act, and enable search functions (4.9.4)	On Track	Completed			
Establish corporate document templates within the Microsoft Office suite of software (4.9.5)	On Track	Completed			
Purchase Vendor Panel web based procurement system to improve internal control compliance (4.9.6)	On Track	Completed			
<b>FINANCIAL AND OPERATIONAL SUSTAINABILITY</b>					
<b>4.10 Undertake long term financial planning</b>					
Review Council's Long Term Financial Plan to align with Council's Asset Management Plan (4.10.1)	On Track	Completed			
<b>4.11 Manage Council's financial assets to improve financial sustainability</b>					
Purchase and set up PowerBudget budgeting software to improve existing budgeting, reporting and planning processes (4.11.1)	Not on Track	70%	Capacity	Related to staff/resource numbers	Installation completed - configuration underway. Included as KPA 4.11.1 in 2015/16
Continue monitoring and improving internal control compliance utilising the 'Better Practice Model' and sample testing practices (4.11.2)	On Track	Completed			
Undertake a strategic review of Council properties and update relevant Community Land Management Plans (4.11.3)	Not on Track	0%	Capacity	Related to staff/resource numbers	To be considered 2015/16
<b>4.12 Continue infrastructure and asset management planning</b>					
Complete the annual plant and machinery program as per Council's ten year plant replacement program (4.12.1)	On Track	Completed			
Train and prepare two of the newly acquired horse stock for service at the Horse Drawn Tram (4.12.2)	Not on Track	40%	Environmental	Unexpected external factors (legislative changes etc.)	Unexpected delays in training newly acquired horse stock. Included as KPA 4.12.2 in 2015/16
Develop a rolling horse stock replacement and training strategy (4.12.3)	Not on Track	20%	Capacity	Related to staff/resource numbers	To be considered in 2015/16
<b>4.13 Investigate and develop opportunities to diversify Council's income stream to reduce reliance on ratepayers for services and operations</b>					
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			
Investigate a process/framework for preparation of an Infrastructure Contributions Strategy/Plan (4.13.3)	Not on Track	60%	Environmental	Matters outside of the organisations control	Associated with Centres Review DPA. Continuing activity in 2015/16
Develop and implement improvements to tourism related websites and on-line capabilities, including electronic bookings (4.13.4)	On Track	Completed			
Organise a SA Whale Centre 25th Anniversary celebrations function(4.13.5)	On Track	Completed			
Investigate opportunities for expansion of Horse Tram related tourism activities (4.13.6)	Not on Track	50%	Capacity	Required capital equipment unavailable	Insufficient working horses to expand activities
Enhance relationship building as a means of improving success in attracting the maximum level of external grant funding (4.13.7)	On Track	Completed			

Encourage Fleurieu Regional Waste Authority to maximise opportunities for recycling and returning benefit to constituent councils (4.13.8)	On Track	Completed			
<b>4.14 Assess opportunities within an effective risk management framework</b>					
Facilitate corporate risk reporting, including providing corporate risk reporting to Council's Strategic Management Team, Audit Committee and Council (4.14.1)	On Track	Completed			
<b>ORGANISATIONAL DEVELOPMENT AND WORKFORCE</b>					
<b>4.15 Provide a safe and healthy workplace.</b>					
Implement Year 1 of the new Work Health and Safety (WH&S) Plan (4.15.1)	On Track	Completed			
Develop and implement WH&S staff induction workflow (4.15.2)	Not on Track	50%	Capacity	Under estimation of workload against available staff resources	Included as KPA 4.15.2 in 2015/16
<b>4.16 Develop an adaptable, skilled and satisfied workforce</b>					
Develop a data base for staff training, with linkages to WH&S, personal and professional development, and specific job requirements (4.16.1)	On Track	Completed			
Update the training needs analysis for each Council position type (4.16.2)	On Track	Completed			
Purchase the SynergySoft HR module to integrate with payroll and provide training register, personnel records and performance management capabilities (4.16.3)	On Track	Completed			
Provide a tailored in-house leadership development program for relevant staff (4.16.4)	On Track	Completed			
<b>4.17 Plan for the workforce needs for the future</b>					
<b>4.18 Apply appropriate technology and information systems that enhance service delivery and efficiency</b>					
Implement the optic cabling program to interconnect Council sites and provide for future growth and connectivity of information and communication technology (4.18.1)	Not on Track	50%	Timeline	Forecast timelines ambitious	Included as KPA 4.18.3 in 2015/16
Develop Information and Communication Technology Asset Management and Business Plans (4.18.2)	Not on Track	50%	Capacity	Related to staff/resource numbers	Draft business plan completed . Asset Management Plan developed into LTFP
Establish software development capability in order to achieve workplace efficiencies (4.18.3)	Not on Track	50%	Environmental	Matters outside of the organisations control	Difficulty in attracting suitable staff resource
Improve service delivery efficiencies through enhancements to Council's intranet (4.18.4)	Not on Track	50%	Environmental	Matters outside of the organisations control	Difficulty in attracting suitable staff resource
Implement initiatives, including tablet note books, in order to increase operational efficiencies, reduce paper use, printing costs and the manual processing of documents (4.18.5)	Not on Track	70%	Timeline	Forecast timelines ambitious	To be completed 2015/16
Investigate and implement strategies to fully utilise resources under the Digital Local Government Program including providing training to key businesses and agencies, to increase Council's service delivery and operational efficiencies (4.18.6)	Not on Track	80%	Environmental	Matters outside of the organisations control	Delayed due to networking issues and resolving issues with contractors. To be completed in 2015/16
<b>4.19 Develop planning, business and resource management processes to support continuous improvement, innovation and excellent service delivery</b>					
Commence implementation of priority outcomes of the Economic and Tourism Development Section service review (4.19.1)	Not on Track	50%	Timeline	Forecast timelines ambitious	Include as KPA 4.19.1 in 2015/16
Undertake a service review of the Human Resource Business Unit (4.19.2)	Not on Track	80%	Timeline	Forecast timelines ambitious	To be completed 2015/16
Conduct a service review to re-evaluate library services post 'One Card' project/system to identify future service needs, efficiency gains and service delivery options (4.19.3)	Not on Track	0%	Capacity	Related to staff/resource numbers	To be undertaken in 2015/16

Review Records Management practices in at least four Council work teams in order to identify potential areas of improvement and workflow efficiencies (4.19.4)	Not on Track	20%	Timeline	Forecast timelines ambitious	Included as KPA 4.9.8 in 2015/16
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## Appendix 2: Strategic Indicators

### Objective 1: A strong economy and supportive business environment

Indicator	Measure	Trend / Target	2014/15 Target	2014/15 Result
Business investment	Number of businesses (internal data)	Maintain at current level or increase	1,000 or more	1,100
Workforce population	Workforce participation (DEEWR Survey)	Maintain at current level or increase	44% or higher	Not available in 2014/15
	% of population unemployed (DFEEST data)	Maintain at current level or decrease	7.5% or lower	9.7%
	Number of people employed in local businesses (Internal Data)	Maintain at current level or increase	5,000 or more	4,800
Proportion of permanent residents	% of occupied dwellings (ABS Census Data)	71% or greater	Not available in 2014/15	Not available in 2014/15

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

Indicator	Measure	Trend / Target	2014/15 Target	2014/15 Result
Storm water and waste water reuse	Quantity of storm water and waste reused by Council (Internal Data)	Maintain at current level or increase	20,000 KL or greater	18,000 KL

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

Indicator	Measure	Trend / Target	2014/15 Target	2014/15 Result
Addressing the impacts of climate change	% of buildings with solar panels (Council data - biannual)	43% or greater	43% or greater	Not available in 2014/15
Community involvement	% of people who volunteer (ABS Census data)	28% or greater	Not available in 2014/15	Not available in 2014/15

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

Indicator	Measure	Trend / Target	2014/15 Target	2014/15 Result
Community participation in local government	Proportion of eligible votes voting in general Council elections (State Electoral Commission)	Maintain at current level or increase	42% or greater	50%
Transparent decision making	Number of Council decisions made in confidence	Less than 5%	Less than 5%	4.7%
	Good Governance Assessment Audit (Internal - LGA of SA)	Rating score of 'Good or better'	Rating score of 'Good or better'	Not available in 2014/15
Effective risk management	Risk Management Processes Audit Rating (LGMLS Risk Management Audit)	To be determined	Average overall performance of 90% or greater	Not available in 2014/15*
Financial sustainability	Operating surplus ratio	0% or greater	0% or greater	9%
	Net Financial Liabilities Ratio (Council annual financial statements)	Less than 75%	Less than 75%	39%
Asset sustainability	Asset sustainability ratio (Council annual financial statements)	Greater than 80% of Asset Management Plans	Greater than 80% of Asset Management Plans	64%
Safe and healthy workplace	Number of lost time claim injuries (WH&S Injury Management Statistics)	WH&S Injury Management Benchmark or better	Benchmark determined in July for following year	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	Exempt employer status maintained

\*In 2015 the Local Government Mutual Liability Scheme (LGMLS) altered the method by which they calculate the Risk Management Processes Audit Rating to also include Council's claim profile and provide a more accurate method of assessing a Council's business risk profile. These changes have had a significant effect on the scoring process and therefore cannot be compared to previous years.

## Appendix 3: Financial Statements

**City of Victor Harbor**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2015**

TABLE OF CONTENTS

	<u>Page</u>
<b>Council Certificate</b>	<b>3</b>
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	8
Note 2 - Income	13
Note 3 - Expenses	16
Note 4 - Asset Disposal & Fair Value Adjustments	18
Note 5 - Current Assets	19
Note 6 - Non-Current Assets	19
Note 7 - Infrastructure, Property, Plant and Equipment, and Investment Property	20
Note 8 - Liabilities	23
Note 9 - Reserves	24
Note 10 - Assets Subject to Restrictions	24
Note 11 - Reconciliation of Cash Flow Statement	25
Note 12 - Functions	26
Note 13 - Financial Instruments	27
Note 14 - Expenditure Commitments	29
Note 15 - Financial Indicators	30
Note 16 - Uniform Presentation of Finances	31
Note 17 - Operating Leases	32
Note 18 - Superannuation	33
Note 19 - Interests in Other Entities	34
Note 20 - Discontinued Operations and Non-Current Assets held for sale	35
Note 21 - Assets & Liabilities not Recognised	35
<b>Audit Report - Financial Statements</b>	<b>36</b>
<b>Council Certificate of Audit Independence</b>	<b>37</b>
<b>Audit Certificate of Audit Independence</b>	<b>38</b>

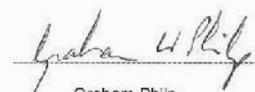
City of Victor Harbor  
**City of Victor Harbor**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015  
**CERTIFICATION OF FINANCIAL STATEMENTS**

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 2015 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  
CHIEF EXECUTIVE OFFICER



Graham Philp  
MAYOR

Date: Monday, 12 October 2015

**City of Victor Harbor**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>INCOME</b>			
Rates	2	18,479	17,468
Statutory charges	2	446	426
User charges	2	2,057	2,086
Grants, subsidies and contributions	2	1,775	1,203
Investment income	2	197	178
Reimbursements	2	667	591
Other income	2	256	434
Net gain - equity accounted Council businesses	19	53	40
<b>Total Income</b>		<u>23,930</u>	<u>22,426</u>
<b>EXPENSES</b>			
Employee costs	3	8,214	7,899
Materials, contracts and other expenses	3	7,991	7,788
Depreciation, amortisation and impairment	3	5,331	4,995
Finance costs	3	792	869
<b>Total Expenses</b>		<u>22,328</u>	<u>21,551</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		1,602	875
Asset disposal and fair value adjustments	4	(933)	(3,460)
Amounts received specifically for new or upgraded assets	2	457	664
Physical resources received free of charge	2	1,919	69
<b>NET SURPLUS / (DEFICIT)</b>		<u>3,045</u>	<u>(1,052)</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant and equipment	9	2,329	19,652
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>5,374</u>	<u>17,800</u>

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

**City of Victor Harbor**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	4,701	3,308
Trade and other receivables	5	1,852	998
Inventories	5	271	302
<b>Total Current Assets</b>		<u>6,824</u>	<u>4,608</u>
<b>Non-current Assets</b>			
Financial assets	6	821	845
Equity accounted investments in Council businesses	6	225	172
Infrastructure, property, plant and equipment	7	257,247	256,038
Other non-current assets	6	1,500	344
<b>Total Non-current Assets</b>		<u>259,793</u>	<u>257,399</u>
<b>Total Assets</b>		<u>266,617</u>	<u>262,007</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	2,503	1,973
Borrowings	8	1,299	1,271
Provisions	8	1,850	1,798
<b>Total Current Liabilities</b>		<u>5,652</u>	<u>5,042</u>
<b>Non-current Liabilities</b>			
Borrowings	8	10,196	11,495
Provisions	8	816	891
Liability - Equity accounted Council businesses	6	-	-
<b>Total Non-current Liabilities</b>		<u>11,012</u>	<u>12,386</u>
<b>Total Liabilities</b>		<u>16,664</u>	<u>17,428</u>
<b>NET ASSETS</b>		<u>249,953</u>	<u>244,579</u>
<b>EQUITY</b>			
Accumulated Surplus		56,144	52,816
Asset Revaluation Reserves	9	192,144	189,815
Other Reserves	9	1,665	1,948
<b>TOTAL EQUITY</b>		<u>249,953</u>	<u>244,579</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 2015

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Available for sale Financial Assets \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2015</b>						
Balance at end of previous reporting period		52,816	189,815	-	1,948	244,579
Adjustment due to compliance with revised Accounting Standards		-	-	-	-	-
Adjustment to give effect to changed accounting policies		-	-	-	-	-
Restated opening balance		52,816	189,815	-	1,948	244,579
<b>Net Surplus / (Deficit) for Year</b>		3,045	-	-	-	3,045
<b>Other Comprehensive Income</b>						
Gain on revaluation of infrastructure, property, plant and equipment		-	2,329	-	-	2,329
Transfers between reserves		283	-	-	(283)	-
<b>Balance at end of period</b>		<b>56,144</b>	<b>192,144</b>	<b>-</b>	<b>1,665</b>	<b>249,953</b>
<b>2014</b>						
Balance at end of previous reporting period		55,134	170,163	-	1,482	226,779
Adjustment due to compliance with revised Accounting Standards		-	-	-	-	-
Adjustment to give effect to changed accounting policies		-	-	-	-	-
Restated opening balance		55,134	170,163	-	1,482	226,779
<b>Net Surplus / (Deficit) for Year</b>		(1,852)	-	-	-	(1,852)
<b>Other Comprehensive Income</b>						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	19,652	-	-	19,652
Transfers between reserves		(466)	-	-	466	-
<b>Balance at end of period</b>		<b>52,816</b>	<b>189,815</b>	<b>-</b>	<b>1,948</b>	<b>244,579</b>

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 2015

	2015	2014
	Notes	
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating receipts	23,098	22,426
Investment receipts	197	178
<u>Payments</u>		
Operating payments	(15,884)	(15,390)
Finance payments	(876)	(872)
<b>Net Cash provided by (or used in) Operating Activities</b>	<u>6,535</u>	<u>6,342</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Receipts</u>		
Amounts specifically for new or upgraded assets	457	664
Sale of replaced assets	126	219
Repayments of loans by community groups	100	145
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(2,633)	(3,090)
Expenditure on new/upgraded assets	(1,821)	(2,028)
Loans made to community groups	(100)	(230)
<b>Net Cash provided by (or used in) Investing Activities</b>	<u>(3,871)</u>	<u>(4,320)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<u>Receipts</u>		
Proceeds from borrowings	-	230
<u>Payments</u>		
Repayments of borrowings	(1,271)	(1,379)
<b>Net Cash provided by (or used in) Financing Activities</b>	<u>(1,271)</u>	<u>(1,149)</u>
<b>Net Increase (Decrease) in cash held</b>	<u>1,393</u>	<u>873</u>
Cash & cash equivalents at beginning of period	11 <u>3,308</u>	<u>2,435</u>
Cash & cash equivalents at end of period	11 <u>4,701</u>	<u>3,308</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 2015

#### 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. Accordingly, the operating results of these periods were distorted compared to those that would have been reported had the grants been paid in a consistent manner.

In June 2015, Council received two advance payments of the 2014/15 Grants Commission (FAG) Grants totalling \$301,003. This has materially increased Council's operating result in the current year, as these amounts are recognised as income upon receipt.

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 2015

#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### 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.

###### 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 and 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.

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 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	1.86% (2014- 2.49%)
Weighted average settlement period	5 years (2014 - 5 years)

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

#### 10 Leases

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

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

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

#### 11 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.

#### 12 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
- 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.

**City of Victor Harbor**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**13 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

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

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB (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 2015

#### Note 2 - INCOME

	Notes	2015 \$'000	2014 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		18,231	17,248
Less: Mandatory rebates		(134)	(151)
Less: Discretionary rebates, remissions & write offs		(42)	(47)
		18,055	17,050
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		361	353
		361	353
<u>Other Charges</u>			
Penalties for late payment		55	50
Legal & other costs recovered		8	15
		63	65
		18,479	17,468
<b>STATUTORY CHARGES</b>			
Development Act fees		62	67
Town planning fees		138	122
Health & Septic Tank Inspection fees		8	6
Animal registration fees & fines		72	72
Parking fines / expiation fees		110	99
Search Fees		45	43
Sundry		0	2
Other licences, fees, & fines		11	15
		446	426
<b>USER CHARGES</b>			
Cemetery/crematoria fees		116	69
Caravan Park		231	239
Community Transport		135	116
Horse Drawn Tram		405	421
Recreation Centre		64	61
Parking fees		105	106
Whale Centre		181	193
Tourism marketing & Sales		552	643
Other Leases, Hire & Rentals		233	209
Sundry		35	29
		2,057	2,086
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		135	120
Banks & other		4	7
Loans to community groups		58	51
		197	178

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

NOTE 2 - INCOME (continued)

	Notes	2015 \$'000	2014 \$'000
<b>REIMBURSEMENTS</b>			
Council Contributions		494	436
Employee Reimbursements		22	19
Private Works		5	5
Utilities, Insurance and Cleaning		87	68
Other		59	63
		<u>667</u>	<u>591</u>
<b>OTHER INCOME</b>			
Community Services		120	18
Donations and Contributions		5	47
Workers Compensation Premium/Claims		18	134
Insurance Claims		61	38
Tourism and Culture		18	10
Sundry		34	187
		<u>256</u>	<u>434</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		457	664
Other grants, subsidies and contributions		1,775	1,203
		<u>2,232</u>	<u>1,867</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of Grants</b>			
Commonwealth Government		1,656	1,089
State Government		544	520
Other		32	258
		<u>2,232</u>	<u>1,867</u>

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### NOTE 2 - INCOME (continued)

	Notes	2015 \$'000	2014 \$'000
<b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		300	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<b>Fleurieu Regional Aquatic Centre</b>		<u>(300)</u>	-
	Subtotal	<u>(300)</u>	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<b>Fleurieu Regional Aquatic Centre</b>		-	<u>300</u>
	Subtotal	-	<u>300</u>
<i>Unexpended at the close of this reporting period</i>		-	<u>300</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		<u>(300)</u>	<u>300</u>
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>			
Footpaths		304	2
Sealed Roads		495	29
Stormwater		759	22
Car Parks / Traffic Devices		42	-
Kerbing		219	16
Land		85	-
Buildings		15	-
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>		<u>1,919</u>	<u>69</u>

**City of Victor Harbor**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 3 - EXPENSES**

	Notes	2015 \$'000	2014 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		6,538	6,326
Employee leave expense		920	795
Superannuation - defined contribution plan contributions	16	446	448
Superannuation - defined benefit plan contributions	18	174	174
Workers' Compensation Insurance		333	308
Other		138	133
Less: Capitalised and distributed costs		(335)	(283)
<b>Total Operating Employee Costs</b>		<u>8,214</u>	<u>7,899</u>
<b>Total Number of Employees</b>		<b>100</b>	<b>98</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		14	14
Elected members' expenses		183	167
Election expenses		301	3
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments	17	128	140
<b>Subtotal - Prescribed Expenses</b>		<u>626</u>	<u>324</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Materials		928	913
Energy and Water		685	674
Professional services		425	395
External Plant Hire		86	86
Insurances		425	306
Waste Services		1,075	1,186
Legal Expenses		154	154
Levies paid to government - NRM levy		359	354
- Other Levies		16	10
Advertising		83	83
Information and Communications		208	178
Donations and Contributions		89	46
Rates and taxes		62	55
Regional Board Contributions		112	74
Street Cleaning		88	88
Tourism/Culture and Economic Development		531	493
Environmental Projects		281	257
Community Service Projects		618	575
Asset Maintenance		825	857
Sundry		315	680
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<u>7,365</u>	<u>7,464</u>
		<u>7,991</u>	<u>7,788</u>

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 3 - EXPENSES (cont)

	Notes	2015 \$'000	2014 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		67	84
Buildings & Other Structures		864	819
Roads		2,069	1,867
Kerbing		221	207
Footpaths		236	135
Bridges		278	253
Stormwater Drainage		325	317
Open Space		309	300
Carparks & Traffic		146	137
Other Infrastructure		83	176
Plant & Equipment		501	468
Furniture & Fittings		107	105
Library books		125	127
		<u>5,331</u>	<u>4,995</u>
<b>FINANCE COSTS</b>			
Interest on overdraft and short-term drawdown		2	8
Interest on Loans		790	861
		<u>792</u>	<u>869</u>

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2015 Notes \$'000	2014 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	126	219
Less: Carrying amount of assets sold	1,059	3,679
<b>Gain (Loss) on disposal</b>	<u>(933)</u>	<u>(3,460)</u>
<i>Assets surplus to requirements</i>		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
<b>Gain (Loss) on disposal</b>	<u>-</u>	<u>-</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<u>(933)</u>	<u>(3,460)</u>

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 5 - CURRENT ASSETS

	Notes	2015 \$'000	2014 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		474	587
Deposits at Call		<u>4,227</u>	<u>2,721</u>
		<u>4,701</u>	<u>3,308</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		530	539
Rates postponed for State Seniors		22	12
Accrued Revenues		148	30
Debtors - general		243	76
Debtors - government		724	199
GST Recoupment		6	9
Prepayments		55	33
Loans to community organisations		<u>124</u>	<u>100</u>
		<u>1,852</u>	<u>998</u>
<b>INVENTORIES</b>			
Stores & Materials		230	264
Trading Stock		<u>41</u>	<u>38</u>
		<u>271</u>	<u>302</u>

Amounts included in inventories that are not expected to be received within 12 months of reporting date.

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

#### Note 6 - NON-CURRENT ASSETS

<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		821	845
<b>TOTAL FINANCIAL ASSETS</b>		<u>821</u>	<u>845</u>
<b>EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES</b>			
<i>Fleurieu Regional Waste Authority</i>	19	<u>225</u>	<u>172</u>
		<u>225</u>	<u>172</u>
<b>OTHER NON-CURRENT ASSETS</b>			
Capital Works-in-Progress		<u>1,500</u>	<u>344</u>
		<u>1,500</u>	<u>344</u>

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2014 \$'000				2015 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	45,795	794	-	46,589	45,795	883	-	46,678
Buildings & Other Structures	2	730	-	(84)	646	730	-	(151)	579
Buildings & Other Structures	3	46,345	-	(13,876)	32,469	46,261	134	(14,656)	31,735
Roads	3	92,536	-	(15,917)	77,019	92,374	1,439	(17,916)	75,897
Kerbing	3	20,353	-	(5,189)	15,164	20,243	571	(5,380)	15,434
Footpaths	3	9,793	-	(2,510)	7,273	9,828	597	(2,744)	7,681
Bridges	3	28,896	-	(6,996)	21,899	29,482	55	(7,541)	21,996
Stormwater Drainage	3	40,596	2,049	(7,513)	35,092	49,299	-	(12,207)	37,092
Open Space	3	10,744	-	(3,296)	7,448	9,813	179	(3,272)	6,720
Carparks & Traffic	3	6,306	330	(1,545)	5,091	7,531	-	(2,033)	5,498
Other Infrastructure	3	-	2,601	(996)	1,602	-	2,833	(1,082)	1,751
Plant & Equipment	-	-	6,654	(2,897)	3,857	-	7,427	(3,165)	4,262
Furniture & Fittings	-	-	1,912	(789)	1,143	-	1,997	(875)	1,122
Artworks	-	277	-	-	277	-	-	-	287
Library Books	-	893	-	(413)	480	888	-	(337)	551
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>3,817</b>	<b>14,740</b>	<b>(62,106)</b>	<b>256,038</b>	<b>312,491</b>	<b>16,115</b>	<b>(71,359)</b>	<b>257,247</b>
<i>Comparatives</i>		<i>296,583</i>	<i>14,728</i>	<i>(72,385)</i>	<i>238,926</i>	<i>303,404</i>	<i>14,740</i>	<i>(62,106)</i>	<i>256,038</i>

	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2015 \$'000	
	2014 \$'000 CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Land	46,589	89	-	-	-	-	-	-	46,678
Buildings & Other Structures	646	-	-	-	(87)	-	-	-	579
Buildings & Other Structures	32,469	81	73	-	(884)	-	-	-	31,735
Roads	77,019	816	623	(494)	(2,089)	-	-	2	75,897
Kerbing	15,164	379	192	(79)	(221)	-	-	(1)	15,434
Footpaths	7,273	394	213	(17)	(236)	-	-	64	7,681
Bridges	21,606	-	55	(56)	(278)	-	597	-	21,896
Stormwater Drainage	35,092	790	78	(208)	(325)	-	1,636	-	37,092
Open Space	7,448	94	85	(44)	(309)	-	(587)	33	6,720
Carparks & Traffic	5,091	64	75	(7)	(146)	-	-	421	5,498
Other Infrastructure	1,602	-	32	-	(83)	-	-	-	1,751
Plant & Equipment	3,857	212	648	(151)	(501)	-	(3)	-	4,262
Furniture & Fittings	1,143	13	36	(5)	(107)	-	3	37	1,122
Artworks	277	-	-	-	-	-	-	10	287
Library Books	480	-	68	-	(125)	-	-	126	551
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>256,038</b>	<b>2,892</b>	<b>2,378</b>	<b>(1,059)</b>	<b>(5,331)</b>	<b>-</b>	<b>-</b>	<b>2,329</b>	<b>257,247</b>
<i>Comparatives</i>	<i>238,926</i>	<i>2,927</i>	<i>3,847</i>	<i>(3,679)</i>	<i>(4,995)</i>	<i>-</i>	<i>-</i>	<i>19,012</i>	<i>256,038</i>

This note continues on the following pages.

**City of Victor Harbor**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT Con't**

**Valuation of Assets**

**General Valuation Principals**

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 <i>Fair Value Measurement</i> ; 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:	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>												
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 3 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 & Other Assets:	<p>There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:</p> <p>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.</p> <p>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.</p> <p>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.</p>												
Adjustments	Adjustments for found or re-measured assets have been processed against the revaluation reserve as shown in Note 7 for road, kerb, footpath, open space and furniture & fittings assets and does not represent a formal revaluation of these asset classes.												
Capitalisation Thresholds:	<p>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.</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Buildings</td> <td style="text-align: right;">\$10,000</td> </tr> <tr> <td>Roads, Drainage &amp; Other Infrastructure</td> <td style="text-align: right;">\$10,000</td> </tr> <tr> <td>Plant &amp; Machinery</td> <td style="text-align: right;">\$5,000</td> </tr> <tr> <td>Minor Plant &amp; Tools</td> <td style="text-align: right;">\$1,000</td> </tr> <tr> <td>Reserve Furniture &amp; Equipment</td> <td style="text-align: right;">\$1,000</td> </tr> <tr> <td>Office Furniture &amp; Equipment</td> <td style="text-align: right;">\$1,000</td> </tr> </table>	Buildings	\$10,000	Roads, Drainage & Other Infrastructure	\$10,000	Plant & Machinery	\$5,000	Minor Plant & Tools	\$1,000	Reserve Furniture & Equipment	\$1,000	Office Furniture & Equipment	\$1,000
Buildings	\$10,000												
Roads, Drainage & Other Infrastructure	\$10,000												
Plant & Machinery	\$5,000												
Minor Plant & Tools	\$1,000												
Reserve Furniture & Equipment	\$1,000												
Office Furniture & Equipment	\$1,000												

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT Con't

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:

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

**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.

Land assets were valued as at 30 June 2012 by Maloney Field Services. The next scheduled valuation of these assets is to be undertaken in 2015/16.

**Buildings & Other Structures**

Buildings and other structures were revalued as at 30 June 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. The next scheduled valuation of these assets is to be undertaken in 2015/16.

**Infrastructure**

Bridge, Road, Kerb, Footpath and Open Space assets were valued at written down replacement cost by Assetic Pty Ltd as at 30 June 2013. The next scheduled valuation of these assets is to be undertaken in 2015/16.

Stormwater assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2015.

Carpark & Traffic Control assets were valued at written down replacement cost by Council Officers and verified by Assetic Pty Ltd as at 30 June 2015.

**Plant, Furniture & Equipment**

These assets are recognised at cost.

**All Other Assets**

These assets are recognised at cost.

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

Artworks were independently valued by Theodore Bruce Auctions as at 30 June 2015.

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 8 - LIABILITIES

	Notes	2015 \$'000		2014 \$'000
		Current	Non-current	Current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services		1,438	-	1,148
Payments received in advance		660	-	371
Accrued expenses - employee entitlements		161	-	124
Accrued expenses - other		189	-	273
Deposits, Retentions & Bonds		55	-	57
		<u>2,503</u>	<u>-</u>	<u>1,973</u>
<b>BORROWINGS</b>				
Loans		1,299	10,196	1,271
		<u>1,299</u>	<u>10,196</u>	<u>1,271</u>

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

	2015 \$'000		2014 \$'000
<b>PROVISIONS</b>			
Long Service Leave	785	128	782
Annual Leave	1,055	-	976
Landfill Depot Remediation Liability	10	688	40
	<u>1,850</u>	<u>816</u>	<u>1,798</u>

*Amounts included in provisions that are not expected to be settled within 12 months of reporting date.*

	Long Service Leave Provision	Annual Leave Provision	Landfill Post Closure Remediation
<b>Movements in Provisions - 2015 year only (current &amp; non-current)</b>			
Opening Balance	931	976	782
Add Unwinding of present value discounts Additional amounts recognised			
(Less) Payments Unused amounts reversed			(67)
Add (Less) Remeasurement Adjustments	(18)	79	(17)
Closing Balance	<u>913</u>	<u>1,055</u>	<u>698</u>

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2014	Net Increments (Decrements)	Transfers, Impairments	30/6/2015	
					Notes
Land		32,557	-	-	32,557
Buildings & Other Structures		23,721	-	-	23,721
Roads		65,060	2	-	65,062
Kerbing		7,244	(1)	-	7,243
Footpaths		5,677	64	-	5,741
Bridges		16,772	587	-	17,359
Stormwater Drainage		25,154	1,635	-	26,789
Open Space		6,472	(554)	-	5,918
Carparks & Traffic		4,712	421	-	5,133
Other Infrastructure		1,498	37	-	1,535
Artworks		109	10	-	119
Library Books		839	128	-	967
Joint Ventures - Other Comprehensive Income					0
<b>TOTAL</b>		<b>189,815</b>	<b>2,329</b>		<b>192,144</b>
<i>Comparatives</i>		<i>170,163</i>	<i>19,652</i>		<i>189,815</i>

OTHER RESERVES	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
Car Park Development	390	7		397
Developers Contributions	363	7		370
Economic Development	374	231	(211)	394
Open Space	489	16	(30)	475
Renewable Energy	32		(3)	29
Major Unspent Projects	300		(300)	0
<b>TOTAL OTHER RESERVES</b>	<b>1,948</b>	<b>261</b>	<b>(544)</b>	<b>1,665</b>
<i>Comparatives</i>	<i>1,482</i>	<i>1,079</i>	<i>(613)</i>	<i>1,948</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 are used for planning, design and construction of car parking facilities within the prescribed area.

Developer Contributions

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

Economic Development

From commercial / industrial rates and used for economic development initiatives including tourism

Renewable Energy

Contributions from solar programs participants and contractors and used for 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 2015

#### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2015 \$'000	2014 \$'000
<b>(a) Reconciliation of Cash</b>			
Total cash & equivalent assets	5	<u>4,701</u>	<u>3,308</u>
Balances per Cash Flow Statement		<u>4,701</u>	<u>3,308</u>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus (Deficit)		3,045	(1,852)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		5,331	4,995
Equity movements in equity accounted investments (increase) decrease		(53)	(40)
Net increase (decrease) in unpaid employee benefits		-	-
Non-cash asset acquisitions		(1,919)	(69)
Grants for capital acquisitions treated as Investing Activity		(457)	(664)
Net (Gain) Loss on Disposals		<u>933</u>	<u>3,460</u>
		<u>6,880</u>	<u>5,830</u>
Add (Less): Changes in Net Current Assets:			
Net (increase) decrease in receivables		(854)	302
Net (increase) decrease in inventories		31	(52)
Net increase (decrease) in trade & other payables		530	(204)
Net increase (decrease) in other provisions		(52)	466
<b>Net Cash provided by (or used in) operations</b>		<u>6,535</u>	<u>6,342</u>
<b>(c) Non-Cash Financing and Investing Activities</b>			
Acquisition of assets by means of:			
- Physical resources received free of charge	3	<u>1,919</u>	<u>69</u>
		<u>1,919</u>	<u>69</u>
<b>(d) Financing Arrangements</b>			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		20	20
LGFA Cash Advance Debenture facility		13,000	13,000

**City of Victor Harbor**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**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		2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Undertakings	825	871	857	788	(32)	-	9,140	9,084	
Community Services	1,481	1,266	1,696	1,784	(415)	597	8,906	8,862	
Culture	90	98	674	723	(584)	46	3,789	3,769	
Economic Development	657	726	1,489	1,399	(832)	5	58	54	
Environment	90	125	3,152	2,923	(3,062)	42	50,212	46,876	
Recreation	165	142	896	757	(731)	-	39,456	38,748	
Regulatory Services	461	429	1,519	1,471	(1,058)	-	20	19	
Transport & Communication	201	187	2,790	3,012	(2,589)	1,053	115,213	114,484	
Plant Hire & Depot/Indirect	23	77	1,819	1,742	(1,796)	-	4,568	4,913	
Unclassified Activities	290	218	1,387	1,284	(1,097)	-	14,869	14,840	
Council Administration	314	232	5,649	5,758	(5,535)	37	19,911	19,879	
Revenue	19,333	18,015	-	-	19,333	372	475	461	
<b>TOTALS</b>	<b>23,930</b>	<b>22,366</b>	<b>22,328</b>	<b>21,551</b>	<b>1,602</b>	<b>1,775</b>	<b>266,617</b>	<b>262,007</b>	

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

The activities relating to Council functions are as follows:

**Business Undertakings:**

Caravan Parks, Private Works, Horse Drawn 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 and Car Parking.

**Culture:**

Library Services, 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 & Street Scaping.

**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 Hire & Depot:**

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 2015

## Note 13 - FINANCIAL INSTRUMENTS

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

## Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 2% and 2.5% (2014: 2.2% and 2.7%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables:</b> Rates &amp; Associated Charges (including legals &amp; penalties for late payment) <b>Note:</b> These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 7.75% (2014: 8%). Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables:</b> Fees &amp; other charges</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables:</b> Other levels of government</p>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities:</b> Creditors and Accruals</p>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities:</b> Interest Bearing Borrowings</p>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.05% and 7.3% (2014: 5.05% and 7.3%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2015	Due < 1 year \$'000	Due > 1 year; ≤ 5 years \$'000	Due > 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Values \$'000
<b>Financial Assets</b>					
Cash & Equivalents	4,701	-	-	4,701	4,701
Receivables	1,852	-	-	1,852	1,300
Other Financial Assets	-	572	249	821	821
<b>Total</b>	<b>6,553</b>	<b>572</b>	<b>249</b>	<b>7,374</b>	<b>6,822</b>
<b>Financial Liabilities</b>					
Payables	2,503	-	-	2,503	2,153
Current Borrowings	2,021	-	-	2,021	1,299
Non-Current Borrowings	-	8,053	3,959	12,012	10,186
<b>Total</b>	<b>4,524</b>	<b>8,053</b>	<b>3,959</b>	<b>16,536</b>	<b>13,648</b>
2014	Due < 1 year \$'000	Due > 1 year; ≤ 5 years \$'000	Due > 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Values \$'000
<b>Financial Assets</b>					
Cash & Equivalents	3,308	-	-	3,308	3,308
Receivables	998	-	-	998	447
Other Financial Assets	-	465	380	845	845
<b>Total</b>	<b>4,306</b>	<b>465</b>	<b>380</b>	<b>5,151</b>	<b>4,600</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>4,048</b>	<b>9,006</b>	<b>5,027</b>	<b>18,081</b>	<b>14,342</b>

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate %	Carrying Value \$'000	Weighted Average Interest Rate %	Carrying Value \$'000
Overdraft	-	-	-	-
Other Variable Rates	-	-	-	-
Fixed Interest Rates	6.33	11,495	6.28	12,766
		<u>11,495</u>		<u>12,766</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 2015

#### Note 14 - COMMITMENTS FOR EXPENDITURE

	2015	2014
	<u>Notes</u> \$'000	\$'000

#### Capital Commitments

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

The City of Victor Harbor has entered into a joint project with Alexandrina Council to construct a Regional Aquatic Centre.

No capital commitments had been entered into as at 30 June 2015.

A construction contract was signed on 8 July, 2015 for \$15,815,817, of which 50% is payable by the City of Victor Harbor.

#### Other Expenditure Commitments

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

Audit Services	15	15
Employee Remuneration Contracts	3,230	2,437
Street Sweeping	192	276
Asset Maintenance	314	155
Library Systems	-	-
Security Services	158	237
	<u>3,909</u>	<u>3,120</u>

**City of Victor Harbor**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**Note 15 - FINANCIAL INDICATORS**

**2015**                      **2014**

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

**Operating Surplus Ratio**

<u>Operating Surplus</u>	9%	5.1%
Rates - general & other less NRM levy		

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

<b>Adjusted Operating Surplus Ratio</b>	<b>7%</b>	<b>6.8%</b>
---	-----------	-------------

*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>	39%	55.6%
Total Operating Revenue		

*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.*

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	64%	73.4%
Infrastructure & Asset Management Plan required expenditure	<b>3917</b>	<b>3909</b>

*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.*

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### 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

	2015 \$'000	2014 \$'000
Income	23,930	22,426
Less Expenses	<u>22,328</u>	<u>21,551</u>
<b>Operating Surplus / (Deficit)</b>	<b>1,602</b>	<b>875</b>
<b>Less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	2,633	3,090
Depreciation, Amortisation and Impairment	(5,331)	(4,995)
Proceeds from Sale of Replaced Assets	<u>(126)</u>	<u>(219)</u>
	<b>(2,824)</b>	<b>(2,124)</b>
<b>Less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	1,821	2,028
Amounts received specifically for New and Upgraded Assets	(457)	(664)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	<b>1,364</b>	<b>1,364</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>3,062</u></b>	<b><u>1,835</u></b>

**City of Victor Harbor**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

**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) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

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

	2015 \$'000	2014 \$'000
Not later than one year	298	355
Later than one year and not later than 5 years	1,084	1,159
Later than 5 years	<u>1,938</u>	<u>2,165</u>
	<u>3,320</u>	<u>3,679</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:

	2015 \$'000	2014 \$'000
Not later than one year	68	116
Later than one year and not later than 5 years	37	56
Later than 5 years	-	-
	<u>105</u>	<u>172</u>

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 18 - SUPERANNUATION

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

##### **Accumulation Only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

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

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

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

##### **Contributions to Other Superannuation Schemes**

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

Note 19 - INTERESTS IN OTHER ENTITIES

**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.

Council has interests in the following equity accounted Council business that is assessed as being material in relation to Council's overall operations:

**Fleurieu Regional Waste Authority**

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

*The principal place of business of each entity is within the boundaries of the constituent councils. There are no restrictions on the ability of these entities to pay cash dividends to or make repayment of advances to Council.*

*Council has an ongoing commitment to make contributions to support the ongoing activities of each business in accordance with the terms of each agreement.*

	2015 \$'000	2014 \$'000
<b>Fleurieu Regional Waste Authority</b>		
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%
<b>Movements in Investment in Joint Operation</b>	<b>\$'000</b>	<b>\$'000</b>
Opening Balance	172	132
Share in Operating Result	53	40
<b>Share in Equity of Joint Operation</b>	<b>225</b>	<b>172</b>
<b>Summarised financial information of the equity accounted business</b>		
<u>Statement of Financial Position</u>		
Cash and cash equivalents	1,382	1,190
Other current assets	354	444
Non-current assets	2,046	1,965
<b>Total assets</b>	<b>3,782</b>	<b>3,599</b>
Current trade and other payables	939	1,059
Current financial liabilities	451	359
Current provisions	198	21
Non-current financial liabilities	1,513	1,459
Non-current provisions	36	20
<b>Total liabilities</b>	<b>3,137</b>	<b>2,918</b>
<b>Net Assets</b>	<b>645</b>	<b>681</b>
<u>Statement of Comprehensive Income</u>		
Other income	7,196	6,793
Interest income	33	29
<b>Total Income</b>	<b>7,229</b>	<b>6,822</b>
Employee costs	2,509	2,240
Materials, contracts & other expenses	3,917	3,813
Depreciation, amortisation & impairment	520	529
Finance costs	129	128
<b>Total expenses</b>	<b>7,075</b>	<b>6,710</b>
<b>Total Comprehensive Income</b>	<b>154</b>	<b>112</b>
<u>Expenditure Commitments</u>		
<u>Operating Expenditures payable</u>		
Not later than one year	228	192
Later than one year and not later than 5 years	105	183
	<b>333</b>	<b>375</b>

## City of Victor Harbor

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

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

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

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

##### 1. LAND UNDER ROADS

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

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

##### 2. POTENTIAL INSURANCE LOSSES

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

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

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

##### 3. BANK GUARANTEES

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

##### 4. LEGAL EXPENSES

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

At the date of these reports, Council had notice of one appeal 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.

City of Victor Harbor  
City of Victor Harbor  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2015  
CERTIFICATION OF AUDITOR INDEPENDENCE

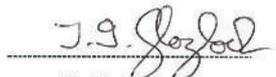
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of SA Model Council for the year ended 30 June 2015, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local 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*.



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Graeme Maxwell  
CHIEF EXECUTIVE OFFICER



---

Tim Glazbrook  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: Monday, 12 October 2015

**Ramindjari - Imoojoo**

**History of the Ramindjari**

Indigenous archaeological evidence of occupation in the Ramindjari area dates back to around 12,000 years before present. The site is a significant archaeological resource and is listed on the State Register of Cultural Heritage. The site is a significant archaeological resource and is listed on the State Register of Cultural Heritage.



**Indigenous**

**How to Use This**

**Sea of Knowledge**

**Annual Cycle**





city of  
*Victor Harbor*



## STAY IN TOUCH

PO Box 11  
Victor Harbor SA 5211

Ph. (08) 8551 0500  
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email: [localgov@victor.sa.gov.au](mailto:localgov@victor.sa.gov.au)  
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Looking for information  
from your Council?  
Visit us 24/7 at  
[www.victor.sa.gov.au](http://www.victor.sa.gov.au)



# Annual Report

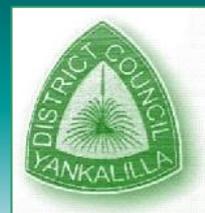
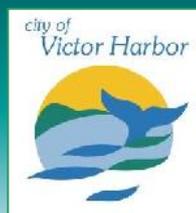
2014 - 2015



Fleurieu Regional Waste Authority

**CONSTITUENT COUNCILS:**

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



# Contents

Page No.

<b>ABOUT THE AUTHORITY</b>	<b>3</b>
<b>CHAIRPERSONS MESSAGE</b>	<b>4</b>
<b>THE BOARD</b>	<b>5</b>
<b>EXECUTIVE OFFICERS MESSAGE</b>	<b>6-8</b>
<b>OUR PEOPLE</b>	<b>9</b>
<b>CORPORATE GOVERNANCE</b>	<b>10</b>
<b>WASTE STATISTICS</b>	<b>11</b>
<b>FINANCIAL STATEMENTS</b>	<b>15- onwards</b>







# 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 bin collections for the Constituent Councils. FRWA is also responsible for the delivery of waste education and information across the region, including of the education programs for kindergartens and primary schools.



During the past year we continued our work on a number of new approaches for sustainable and cost effective kerbside collection service for our Constituent Councils and have implemented a more resource efficient post collection management of waste and recyclables.

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

Grants from Zero Waste SA assisted greatly in implementing further improvements to infrastructure at two of our four Waste and Recycling Depots to benefit the diversion of waste from landfill, improving on site processing and increasing recycling.

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

On behalf of the Board of Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2014/15 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 2014/15 there were a number of changes to the Board with the departure of Kym McHugh (Mayor Alexandrina Council), Tim Telfer (Cr City of Victor Harbor), Malcolm Boxall (Cr KI Council) and Peter O'Neil (Cr DC Yankalilla) and Chris Smith senior staff members KI Council. Their input and knowledge have been greatly appreciated. Madeleine Walker (Cr Alexandrina Council), Tim Glazbrook (Cr City of Victor Harbor), Peter Denholm (Cr KI Council), Glen Rowlands (Mayor DC Yankalilla) and Ted Botham (Director Asset and Infrastructure Services KI Council) have since been appointed to the Board and have continued 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

## 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



**Simon Grenfell**  
General Manager Engineering  
& Open Space  
Alexandrina Council



**Madeleine Walker**  
Councillor  
Alexandrina Council



**Glenn Sanford**  
Director Environment &  
Infrastructure  
City of Victor Harbor



**Tim Glazbrook**  
Councillor  
City of Victor Harbor



**Warren Keading**  
Manager Operations  
District Council of Yankalilla



**Glen Rowlands**  
Councillor  
District Council of Yankalilla



**Ted Botham**  
Director Business Support  
Kangaroo Island Council



**Peter Denholm**  
Councillor  
Kangaroo Island Council

## BOARD MEETINGS

The Board meets 6 to 8 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

This year marked the 5<sup>th</sup> anniversary of the Fleurieu Regional Waste Authority providing waste and recycling services to the communities of our four member councils. The scope of services delivered by FRWA has increased considerably compared to our beginnings. Our achievements would not be possible without the valuable contribution of the FRWA Board and the dedication and good work of our staff.



### BEST PRACTICE SERVICES

Over the last 12 months waste streams have been steady in total quantities and composition. Through its best practice services FRWA achieved a diversion rate of 62.9% of waste from landfill across the region.

The majority of 78% of waste diversion from landfill is being achieved through our Waste and Recycling Depots. This includes 4,000t of greenwaste, 2,400t of scrap steel, 1,637 mattresses, 16,730ltrs of waste oil, 13t of drum Muster containers, 66kg of mobile phones, over 150t of e.waste, batteries and many other recyclables.

The Authority continues to work with neighboring councils and regional authorities on issues of common interest, including cost effective e.waste management, emerging energy from waste technologies and development of regional markets for recycled products.

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 second Enterprise Bargaining Agreement was cooperatively developed between management and employees. It came into effect on 1 December 2014 and will remain in force until 30 November 2017.

#### Employee Assistance Program & Crisiscare

FRWA continues to support an Employee Assistance Program and Crisiscare Program which is available for all employees to access.

#### 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. Of 28 matters listed in the plan, all 21 essential training programs have been completed and 7 elective matters have been deferred to the next financial year.

#### WORKPLACE HEALTH AND SAFETY (WHS) AND INJURY MANAGEMENT

In its endeavour for continuous improvement, FRWA management together with all staff developed the Safety Culture Improvement Strategy. The implementation of:

- the Safety Message '*Stay Alert- Don't Get Hurt*' and
- our vision '*Working Together To Achieve A Safe And Successful Workplace*'

go hand in hand with the completion of key programs and actions of the WHS and IM Improvement Plan 2014-2016.

#### ZWSA FUNDING

ZWSA continued its support for the regional management position as well as to finalise the recycling shed at the Yankalilla Waste and Recycling Depot and the upgrade of the composting pad at Kingscote.

#### 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 farm chemicals.

# Executive Officer’s Message

The increased popularity of salvage barns operated by FRWA and in partnership with other organisations is testimony for the success of waste avoidance by turning ‘Trash into Treasure’.

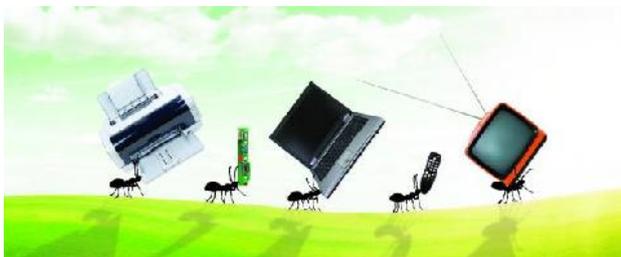
The sale of recycled products such as mulch made from greenwaste and crushed rock made from construction and demolition waste, complete the variety of services.



## E.WASTE

A total of 152 tonnes of e.waste were collected under the National Computer and Television Scheme across the three regional drop off centers, a decrease of 61.2% compared to the tonnages collected in 2013/14.

FRWA offers the e.waste drop off services as a hybrid of free campaign events and fees for service in line with the framework as set out under the National Scheme.. The fee payable for items covered under the National Scheme outside of free campaign events have contributed to the steep drop in e.waste items presented for recycling.



## KERBSIDE COLLECTIONS

FRWA provides kerbside services for over 32,000 premises across its four Constituent Councils in accordance with council approved collection schedules and frequencies.

Over the last 12 months we provided over 1.7 million bin pick ups across our four member councils, collecting 13,190t of general waste, 2,850t of greenwaste and 3,750t of comingled recyclables.

	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 Christmas period, KI experienced a huge influx of holiday makers in comparison to previous years which resulted in a significant increase to kerbside operations, with some collection days increased by up to 30%.

The acquisition of new plant has enabled FRWA to transport its own waste and recyclables from all mainland sites to disposal and processing facilities.

A kerbside bin audit was undertaken during October and November 2014 across all four member councils. Audit results show that the average general waste bin contains only 31 % of waste to landfill but 69 % of waste streams that are recyclable.

Significant improvements to the kerbside system are currently under consideration by member councils.

A key component is the increase of collection frequency for recyclables and greenwaste to capture from 4-weekly to fortnightly.

## Executive Officer's Message

Currently considered improvements to kerbside collection systems will aim to recover 16% dry recyclables, 9% green waste, 38% food waste and 6% other recyclables such as e.waste and clothing.



### COMMUNITY INFORMATION AND EDUCATION

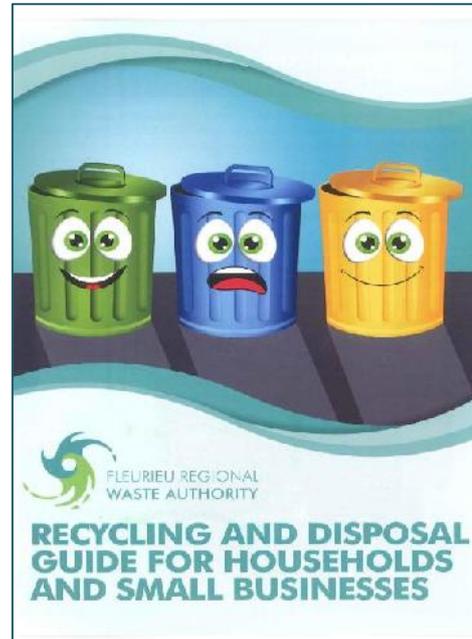
The Authority continued its successful education and information program with community groups, kindergartens and primary schools.

FRWA attended local markets across the region conducting information sessions on best practice for recycling and waste reuse.



Customer service staff responded to over 3,000 customer service calls through the year, of which 78% were general inquiries, 18% were related to kerbside collections and 4% complaints.

To assist our communities with their recycling endeavors a Recycling Brochure was developed for residents and small business in Alexandrina Council and City of Victor Harbor with brochures for the District Council of Yankalilla and Kangaroo Island to follow soon.



### 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.

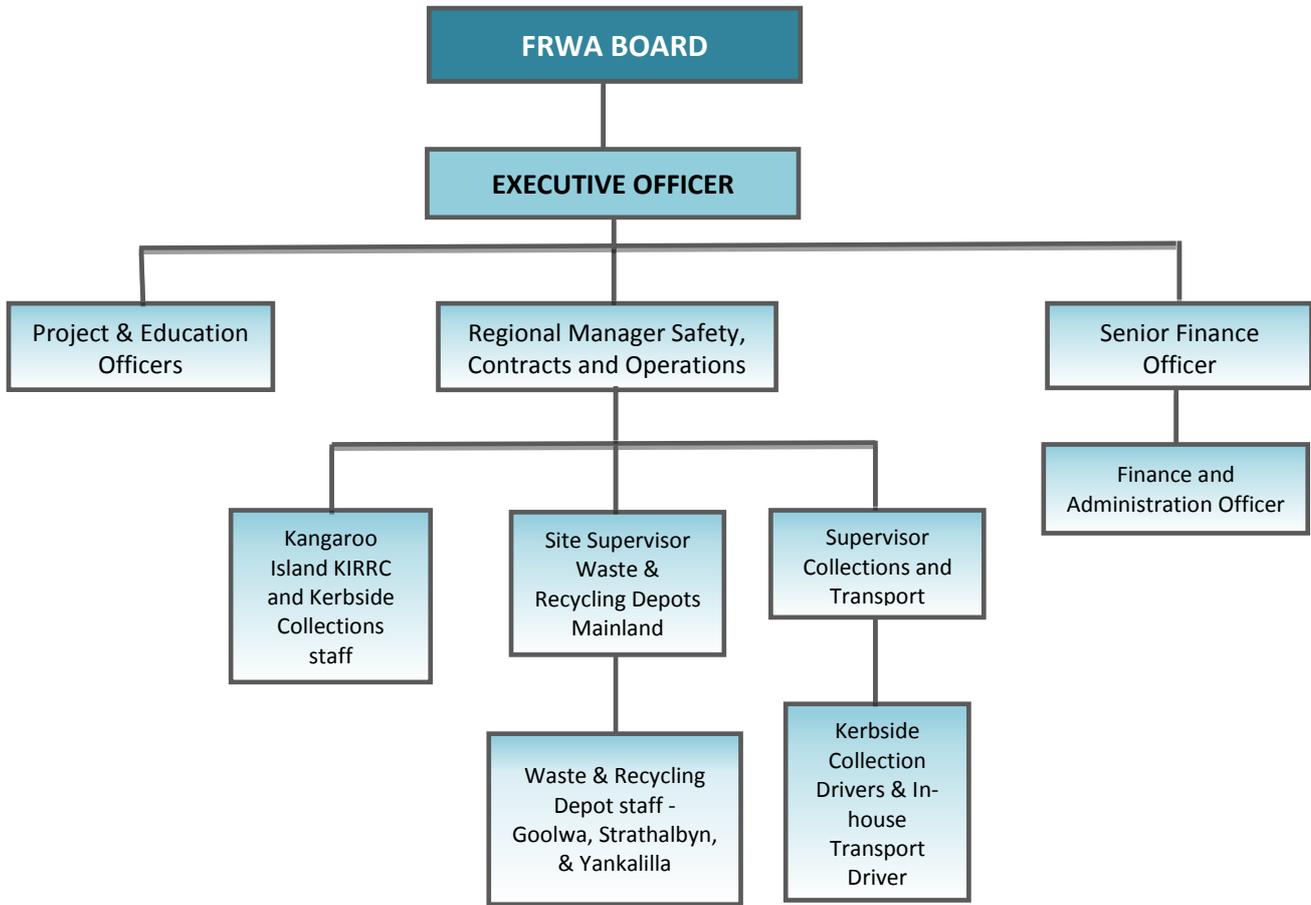
### FINANCIAL STATEMENTS

I am pleased to report that the overall performance of the Authority during the 2014/15 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 2015 forms part of this report.

**MARINA WAGNER**  
EXECUTIVE OFFICER

# Our People

## ORGANISATIONAL CHART



## EMPLOYEES BY OCCUPATION

DESIGNATED GROUPS	2014/15 (FTE & Casual Staff)
Executive Officer	1
Managers	1
Supervisors	2
Finance & Projects	2.6
Kerbside Drivers, In-house Transport & Mechanic	14.6
Waste and Recycling Depot Operators	10.57
<b>Total</b>	<b>31.77 FTE &amp; Casual Staff</b>

### EXECUTIVE OFFICER

Marina Wagner

### MANAGER

Darren Stephens, Regional Manager Safety Contracts and Operations

## 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 2014-2015**

Edward Marshall audited the 2014-2015 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:

- Light Vehicle, Plant & Heavy Vehicle Replacement Policy
- Disposal of Assets Policy
- Asset Management Plan – (Fleet and Plant)
- Receipting of Goods Procedure
- Motor Vehicle & Fuel Card Policy
- Bullying and Harassment Policy
- Business Plan 2014 - 2017

## Waste Statistics

	FRWA Region		Alexandrina Council		City of Victor Harbor *		DC of Yankalilla		KI Council	
	Kerbside & WRDs (t)	%	3 Bin Kerbside & WRDs (t)	%	3 Bin Kerbside only (t) **	%	2 Bin Kerbside & WRD (t)		2 Bin Kerbside & WRD (t)	%
<b>TOTAL 2014/15 (MSW/Greenwaste/Recycling)</b>	<b>48,073</b>		<b>34,958</b>		<b>6,117</b>		<b>3,503</b>		<b>3,495</b>	
Waste to Landfill	18,228	37.9	10,635	30.4	3,670	60	1,988	57	1,935	55.4
Waste diverted from Landfill	29,845	62.9	24,323	69.6	2,447	40	1,515	43	1,560	44.6

\* CoVH kerbside only / joint operation of the Goolwa WRD with Alexandrina Council

	Alexandrina Council (t)	City of Victor Harbor (t)	DC of Yankalilla (t)	Kangaroo Island Council (t)
Kerbside Waste to Landfill	6,044	3,670	1,578	1,894
Kerbside Greenwaste	1,725	1,126	0	0
Kerbside Recyclables	1,776	1,321	348	307
<b>Total Kerbside Diverted from Landfill</b>	<b>3,501</b>	<b>2,447</b>	<b>348</b>	<b>307</b>
Sub Total Kerbside Collected	9,545	6,117	1,926	2,201
WRD Waste to Landfill	4,591		410	41
WRD Waste Diverted from Landfill	20,822		1,167	1,254
Sub Total WRD Collected	* 25,413	**	1,577	1295
Total Waste to Landfill	10,635	3,670	1,988	1,935
Total Waste Diverted from Landfill	24,323	2,447	1,515	1,560
<b>GRAND TOTAL ALL WASTE STREAMS</b>	<b>34,958</b>	<b>6,117</b>	<b>3,503</b>	<b>3,495</b>

\* Goolwa WRD Subregional Centre for Alexandrina Council and City of VH

\*\* City of VH kerbside only, diversion from WRD is included in Alexandrina Council

The table above only includes waste streams that are weighed, there are a large range of waste products diverted from landfill not included in the table above which are managed per item, including: mattresses, lounges, batteries, fluoro lights and globes, waste oil, paint, tyres, x-rays, mobile phones and a wide range of salvage items. For example through the Goolwa WRD we diverted 1,235 mattresses, 1700ltrs waste oil, through the Strathalbyn WRD 269 mattresses and 4,700 ltrs of oil, Yankalilla WRD 2,900ltrs waste oil and on Ki 133 mattresses and a total of 7,430 ltrs of waste oil last financial year.

DIVERSION OF E.WASTE FROM LANDFILL PER COUNCIL	
Council	Tonnage Total
Alexandrina Council/Strathalbyn WRD	29
Alexandrina Council & CoVH/ Goolwa WRD	89
DC of Yankalilla	25
Kangaroo Island Council	9
<b>TOTAL TONNAGE</b>	<b>152</b>



# Financial Statements

2014 - 2015



Fleurieu Regional Waste Authority



# FLEURIEU REGIONAL WASTE AUTHORITY

## General Purpose Financial Reports for the year ended 30 June 2015

### TABLE OF CONTENTS

	<u>Page</u>
<b>Council Certificate</b>	1
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income .....	2
Statement of Financial Position .....	3
Statement of Changes in Equity .....	4
Statement of Cash Flows .....	5
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies .....	N1
Note 2 - Income .....	N6
Note 3 - Expenses .....	N7
Note 4 - Current Assets .....	N8
Note 5 - Infrastructure, Property, Plant & Equipment & Investment Property .....	N9
Note 6 - Liabilities .....	N12
Note 7 - Reconciliation of Cash Flow Statement .....	N13
Note 8 - Financial Instruments .....	N14
Note 9 - Expenditure Commitments .....	N16
Note 10 - Financial Indicators .....	N17
Note 11 - Uniform Presentation of Finances .....	N18
Note 12 - Operating Leases .....	N19
Note 13 - Superannuation .....	N20
Note 14 - Assets & Liabilities not Recognised .....	N21
Note 15 - Events Occurring After Reporting Date .....	N22
<b>Audit Report - Financial Statements</b>	
<b>Audit Report - Internal Controls</b>	
<b>Council Certificate of Audit Independence</b>	
<b>Audit Certificate of Audit Independence</b>	

## FLEURIEU REGIONAL WASTE AUTHORITY

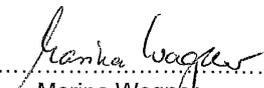


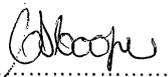
### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2015

#### 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 2015 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.

  
.....  
Marina Wagner  
EXECUTIVE OFFICER

  
.....  
Catherine Cooper  
CHAIR OF THE BOARD

Date: 16/9/15

Date: 16/9/15

## FLEURIEU REGIONAL WASTE AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
User charges	2	7,054,993	6,621,775
Grants, subsidies and contributions	2	67,885	89,295
Investment income	2	32,706	28,939
Reimbursements	2	6,918	44,012
Other income	2	<u>65,785</u>	<u>38,359</u>
<b>Total Income</b>		<b><u>7,228,287</u></b>	<b><u>6,822,380</u></b>
<b>EXPENSES</b>			
Employee costs	3	2,509,112	2,239,551
Materials, contracts & other expenses	3	3,917,121	3,812,612
Depreciation, amortisation & impairment	3	519,699	528,936
Finance costs	3	<u>129,078</u>	<u>127,529</u>
<b>Total Expenses</b>		<b><u>7,075,010</u></b>	<b><u>7,708,628</u></b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>153,277</b>	<b>113,752</b>
<b>NET SURPLUS / (DEFICIT)</b>		<b><u>153,277</u></b>	<b><u>113,752</u></b>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>153,277</u></b>	<b><u>113,752</u></b>

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

## FLEURIEU REGIONAL WASTE AUTHORITY

### STATEMENT OF FINANCIAL POSITION as at 30 June 2015

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash	4	1,382,140	1,189,690
Trade & other receivables	4	311,120	398,517
Inventories	4	42,773	45,493
		<u>1,736,033</u>	<u>1,633,700</u>
<b>Total Current Assets</b>		<b>1,736,033</b>	<b>1,633,700</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	5	2,045,810	1,965,191
<b>Total Non-current Assets</b>		<u>2,045,810</u>	<u>1,965,191</u>
<b>Total Assets</b>		<u><b>3,781,843</b></u>	<u><b>3,598,891</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	939,157	1,058,456
Borrowings	6	451,310	359,128
Provisions	6	198,126	210,314
		<u>1,588,593</u>	<u>1,627,898</u>
<b>Total Current Liabilities</b>		<u><b>1,588,593</b></u>	<u><b>1,627,898</b></u>
<b>Non-current Liabilities</b>			
Borrowings	6	1,512,690	1,459,195
Provisions	6	35,666	20,181
<b>Total Non-current Liabilities</b>		<u>1,548,356</u>	<u>1,479,376</u>
<b>Total Liabilities</b>		<u><b>3,136,949</b></u>	<u><b>3,107,274</b></u>
<b>NET ASSETS</b>		<u><b>644,894</b></u>	<u><b>491,617</b></u>
<b>EQUITY</b>			
Accumulated Surplus		644,894	491,617
<b>TOTAL EQUITY</b>		<u><b>644,894</b></u>	<u><b>491,617</b></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 2015

		Accumulated Surplus	TOTAL EQUITY
2015	Notes	\$	\$
Balance at end of previous reporting period		491,617	491,617
<b>Net Surplus / (Deficit) for Year</b>		<b>153,277</b>	<b>153,277</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Balance at end of period</b>		<b>644,894</b>	<b>644,894</b>
<b>2014</b>			
Balance at end of previous reporting period		377,865	377,865
<b>Net Surplus / (Deficit) for Year</b>		<b>113,752</b>	<b>113,752</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Balance at end of period</b>		<b>491,617</b>	<b>491,617</b>

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 2015

	Notes	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
User charges		7,145,072	7,073,196
Investment receipts		32,706	28,939
Grants utilised for operating purposes		67,885	95,992
Reimbursements		65,785	48,413
Other revenues		6,918	42,195
<u>Payments</u>			
Employee costs		(2,509,267)	(2,156,689)
Materials, contracts & other expenses		(4,029,358)	(4,235,835)
Finance payments		(132,650)	(134,761)
<b>Net Cash provided by (or used in ) Operating Activities</b>		<u>647,091</u>	<u>761,450</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<u>Payments</u>			
Expenditure on new/upgraded assets		(600,318)	(96,321)
<b>Net Cash provided by (or used in) Investing Activities</b>		<u>(600,318)</u>	<u>(96,321)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		537,568	-
<u>Payments</u>			
Repayments of borrowings		(391,891)	(336,387)
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>145,677</u>	<u>(336,387)</u>
<b>Net Increase (Decrease) in cash held</b>		<u>192,450</u>	<u>328,742</u>
Cash & cash equivalents at beginning of period	7	<u>1,189,690</u>	860,948
Cash & cash equivalents at end of period	7	<u><u>1,382,140</u></u>	<u><u>1,189,690</u></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 2015

#### 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 Harbour, Alexandrina Council, The District of Yankalilla and The District Council of Kangaroo Island. The Authority commenced trading as from 5<sup>th</sup> July 2010.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 16<sup>th</sup> September 2015.

##### 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 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 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 constituents 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 2015

#### 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 the 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.

##### 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 the 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 the 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 2015

#### 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 the 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 the 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 the 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.

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 1 - Significant Accounting Policies (cont)

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

#### 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 the 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 2015 reporting period and have not been used in preparing these reports.

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

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

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

*The 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.*

**FLEURIEU REGIONAL WASTE AUTHORITY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015****Note 1 - Significant Accounting Policies (cont)**

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 2015

#### Note 2 - INCOME

	Notes	2015 \$	2014 \$
<b>USER CHARGES</b>			
Waste Disposal Operations		<u>7,054,993</u>	<u>6,621,775</u>
		<u>7,054,993</u>	<u>6,621,775</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		5,300	2,208
Banks & other		<u>27,406</u>	<u>26,731</u>
		<u>32,706</u>	<u>28,939</u>
<b>REIMBURSEMENTS</b>			
- Other		<u>6,918</u>	44,012
		<u>6,918</u>	<u>44,012</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments – infrastructure, property, plant & equipment		60,682	32,643
Sundry		<u>5,103</u>	<u>5,716</u>
		<u>65,785</u>	<u>38,359</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions		<u>67,885</u>	89,295
		<u>67,885</u>	<u>89,295</u>
<b>Sources of grants</b>			
Commonwealth government		46,285	-
State government		21,600	-
Other		-	-
		<u>67,885</u>	<u>89,295</u>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 3 - EXPENSES

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		2,144,990	1,888,354
Employee leave expense		29,854	71,585
Superannuation - defined contribution plan contributions	18	190,898	162,107
Superannuation - defined benefit plan contributions	18		
Workers' Compensation Insurance		107,008	88,096
Other		36,362	29,409
<b>Total Operating Employee Costs</b>		<b>2,509,112</b>	<b>2,239,551</b>
<b>Total Number of Employees</b>			26
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		11,082	8,450
Board members' expenses		15,738	28,464
Operating Lease Rentals – non-cancellable leases	12		
- minimum lease payments		27,264	26,000
Subtotal – Prescribed Expenses		<b>54,084</b>	<b>62,914</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		928,158	792,944
Energy		548,451	574,693
Waste Disposal		1,419,823	1,214,030
Maintenance		473,636	515,789
Legal Expenses		28,843	-
Parts, accessories & consumables		17,622	14,433
Professional services		129,622	109,117
Sundry		316,882	528,692
Subtotal – Other Materials, Contracts & Expenses		<b>3,863,037</b>	<b>3,749,698</b>
		<b>3,917,121</b>	<b>3,812,612</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Building & Other Structures		-	971
Plant & Equipment		514,910	521,087
Furniture & Fittings		4,789	6,878
		<b>519,699</b>	<b>528,936</b>
		<b>519,699</b>	<b>528,936</b>
<b>FINANCE COSTS</b>			
Interest on Loans		129,078	127,529
		<b>129,078</b>	<b>127,529</b>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 4 - CURRENT ASSETS

	Notes	2015	2014
<b>CASH &amp; EQUIVALENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank		151,547	147,615
Deposit at Call		<u>1,230,593</u>	<u>1,042,075</u>
		<b><u>1,382,140</u></b>	<b><u>1,189,690</u></b>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors – general		266,113	398,517
Prepayments		2,682	-
Other Debtors		<u>42,325</u>	<u>-</u>
Total		<b><u>311,120</u></b>	<b><u>398,517</u></b>
 <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
 <b>INVENTORIES</b>			
Stores & Materials		<u>42,773</u>	<u>45,493</u>
		<b><u>42,773</u></b>	<b><u>45,493</u></b>
 <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 2015**

**Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	Fair Value Level	2014 \$				2015 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	2	-	3,181	(3,181)	-	-	3,181	(3,181)	-
Plant & Equipment		-	3,410,514	(1,450,112)	1,960,402	-	4,010,832	(1,965,022)	2,045,810
Furniture & Fittings		-	20,634	(15,845)	4,789	-	20,634	(20,634)	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		-	3,434,329	(1,469,138)	1,965,191	-	4,034,647	(1,988,837)	2,045,810
<i>Comparatives</i>			<b>3,338,008</b>	<b>(940,202)</b>	<b>2,397,806</b>	-	<b>3,434,329</b>	<b>(1,469,138)</b>	<b>1,965,191</b>

*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 2015

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2014	CARRYING AMOUNT MOVEMENTS DURING YEAR							2015	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Plant & Equipment	1,960,402	600,318	-	-	(514,910)	-	-	-	-	2,045,810
Furniture & Fittings	4,789	-	-	-	(4,789)	-	-	-	-	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>1,965,191</b>	<b>600,318</b>	<b>-</b>	<b>-</b>	<b>(519,699)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,045,810</b>
<i>Comparatives</i>	<b>2,397,806</b>	<b>96,321</b>			<b>(528,936)</b>					<b>1,965,191</b>

*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 2015

#### 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 the 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 2015

#### Note 6 - LIABILITIES

	Notes	2015 \$		2014 \$	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		542,674	-	782,660	-
Accrued expenses - employee entitlements		243,763	-	211,864	-
Accrued expenses - other		149,505	-	60,367	-
Other		3,215	-	3,565	-
		<u>939,157</u>	<u>-</u>	<u>1,058,456</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		451,310	1,512,690	359,128	1,459,195
		<u>451,310</u>	<u>1,512,690</u>	<u>359,128</u>	<u>1,459,195</u>
<i>All interest bearing liabilities are secured over the future revenues of the Authority</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		58,126	35,666	105,314	20,181
Other		140,000	-	105,000	-
		<u>198,126</u>	<u>35,666</u>	<u>210,314</u>	<u>20,181</u>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 7 - RECONCILIATION TO CSH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	4	<u>1,382,140</u>	<u>1,189,690</u>
Balances per Cash Flow Statement		<u>1,382,140</u>	<u>1,189,690</u>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus (Deficit)		153,277	113,752
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		519,699	528,936
Net Increase (decrease) in unpaid employee benefits		<u>(31,703)</u>	<u>82,862</u>
		641,273	725,550
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		87,397	(281,642)
Net (increase) decrease in inventories		2,720	(34,581)
Net increase (decrease) in trade & other payables		(119,300)	317,123
Net increase (decrease) in other provisions		<u>35,000</u>	<u>35,000</u>
<b>Net Cash provided by (or used in) operations</b>		<u>647,090</u>	<u>761,450</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 2015

#### Note 8 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1% and 3% (2014:1% and 3.5%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable on a 6 monthly basis; interest is charged at fixed rates between 4.8% and 6.65% (2014: 6.65%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 8 (cont) - FINANCIAL STATEMENTS

##### Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flow	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	1,382,140			1,382,140	1,382,140
Receivables	308,438	-	-	308,438	311,120
<b>Total</b>	<b>1,690,578</b>	<b>-</b>	<b>-</b>	<b>1,690,578</b>	<b>1,693,260</b>
<b>Financial Liabilities</b>					
Payables	695,394	-	-	695,394	545,889
Current Borrowings	565,502	-	-	565,502	451,310
Non-Current Borrowings	-	1,550,746	136,991	1,687,737	1,512,690
<b>Total</b>	<b>1,260,896</b>	<b>1,550,746</b>	<b>136,991</b>	<b>2,948,633</b>	<b>2,509,889</b>
<b>2014</b>	Due < 1 year	Due > 1 year; ≥ 5 years	Due > 5 years	Total Contractual Cash Flow	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	1,189,690			1,189,690	1,189,690
Receivables	398,517	-	-	398,517	398,517
<b>Total</b>	<b>1,588,207</b>	<b>-</b>	<b>-</b>	<b>1,588,207</b>	<b>1,588,207</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>1,320,766</b>	<b>1,659,609</b>	<b>-</b>	<b>2,980,375</b>	<b>2,604,548</b>

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	6.21	1,964,000	6.65	1,818,323
		<u>1,964,000</u>		<u>1,818,323</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 Authority

#### 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 Authority is the carrying amount, net of any allowance for doubtful debts. All of the Authority's 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 Authority's boundaries, and there is no material exposure to any individual debtor.

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

**Liquidity Risk** is the risk that the Authority 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. The Authority 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. The Authority 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 2015

#### Note 9 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2015	2014
		\$	\$
<b>Capital Commitments</b>			
<b>Other Expenditure Commitments</b>			
Capital expenditure commitment for at the reporting date but not recognised in the financial statements as liabilities			
Audit Services		9,600	9,000
Kangaroo Island Bin Replacement		105,000	140,000
Employee Remuneration Contracts		174,890	143,895
Maintenance contracts		43,200	82,560
		<b>332,690</b>	<b>375,455</b>
These expenditures are payable:			
No later than one year		227,690	192,255
Later than one year and not later than 5 years		105,000	183,200
		<b>332,690</b>	<b>375,455</b>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 10 - FINANCIAL INDICATORS

	2015	2014	2013
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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>	2%	2%	1%
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**

	2%	2%	1%
--	----	----	----

*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>	20%	22%	31%
Total Operating Revenue			

*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.*

#### **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*

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### 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 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

	2015	2014
	\$	\$
Income	7,228,287	6,822,380
less Expenses	<u>7,075,010</u>	<u>6,708,628</u>
<b>Operating Surplus / (Deficit)</b>	<b>153,277</b>	<b>113,752</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Depreciation, Amortisation and Impairment	(519,699)	(528,936)
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	<b>(519,699)</b>	<b>(528,936)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	<b>600,318</b>	96,321
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>
	<b>600,318</b>	<b>96,321</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>72,658</u></b>	<b><u>546,367</u></b>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### 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:

	2015	2014
	\$	\$
Not later than one year	26,000	26,000
Later than one year and not later than 5 years	<u>-</u>	<u>15,167</u>
	<u>26,000</u>	<u>41,167</u>

## FLEURIEU REGIONAL WASTE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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 receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). 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 Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) 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 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to 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 2015****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 Balance Sheet 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 balance sheet

**FLEURIEU REGIONAL WASTE AUTHORITY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015****Note 15 - EVENTS OCCURRING AFTER REPORTING DATE IN THE BALANCE  
SHEET**

There were no events subsequent to 30 June 2015 that need to be disclosed in the financial statements.



Edwards Marshall

**FLEURIEU REGIONAL WASTE AUTHORITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015  
STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2015, 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

16 September 2015

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a worldwide network of independent accounting and consulting firms.*

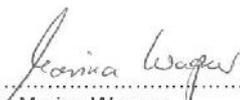


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**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015****CERTIFICATION OF AUDITOR INDEPENDENCE**

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 2015, 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

**PRESIDING MEMBER  
AUDIT COMMITTEE**  
Subsidiary is exempt from requirements for  
an audit committee

Date: 20.8.2015

**FLEURIEU REGIONAL WASTE AUTHORITY**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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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**

**PRESIDING MEMBER  
AUDIT COMMITTEE**  
Subsidiary is exempt from requirements for  
an audit committee

Date: 28/08/2015

**FLEURIEU REGIONAL WASTE AUTHORITY**

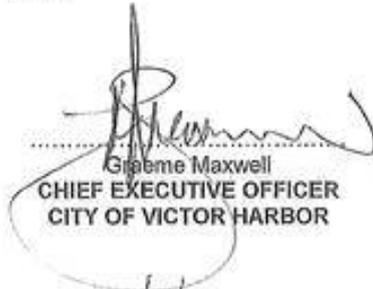


**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015**

**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 2015, 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  
 CHIEF EXECUTIVE OFFICER  
 CITY OF VICTOR HARBOR

PRESIDING MEMBER  
 AUDIT COMMITTEE  
 Subsidiary is exempt from requirements for  
 an audit committee

Date: 17/8/15

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015****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 2015, 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

**PRESIDING MEMBER  
AUDIT COMMITTEE**  
Subsidiary is exempt from requirements for  
an audit committee

Date:

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015****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 2015, 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**

**PRESIDING MEMBER**  
**AUDIT COMMITTEE**  
Subsidiary is exempt from requirements for  
an audit committee

Date: 17. 8. 15

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2015****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 2015, 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 THE BOARD

**PRESIDING MEMBER  
AUDIT COMMITTEE**  
Subsidiary is exempt from requirements for  
an audit committee

Date: 20.8.2015



EdwardsMarshall

## 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 2015 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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Edwards Marshall

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

***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 2015, 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 Dreckow  
Partner

Adelaide  
South Australia

16 September 2015



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Fleurieu Regional Waste Authority





# Southern & Hills Local Government Association

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



# ANNUAL REPORT 2014-2015

Address:  
Email:  
Mobile:  
Website:

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[graeme@shlga.sa.gov.au](mailto:graeme@shlga.sa.gov.au)  
0418 502 311  
[www.shlga.sa.gov.au](http://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 138,700 people as at 30<sup>th</sup> June 2014.
- ☑ 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 2014 – 2015

President	Mayor Ann Ferguson, DC Mount Barker (June 14-Feb 15)	
	Mayor Bill Spragg, Adelaide Hills Council (Feb 15-	
Deputy President	Mayor Jayne Bates, Kangaroo Island Council (June 14-Feb 15)	
	Mayor Keith Parkes, Alexandrina Council (Feb 15-	
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 (June 14-Feb 15)	
	Mayor Keith Parkes, Alexandrina Council (Feb 15-	
Delegates to SAROC	Mayor Ann Ferguson Mayor Bill Spragg Mr Graeme Martin	June 14-Feb 15 Feb 15
Proxy Delegate to SAROC	Mayor Jayne Bates (June 14-Feb 15)	
	Mayor Keith Parkes, Alexandrina Council (Feb 15-	

## **President's Forward**

The 2014-2015 year has been one of change for the Southern and Hills Local Government Association following the Local Government Election in October.

We have sadly seen departures of our some of our region's long serving, well respected and well known Mayors and Councillors but also had the pleasure of welcoming new members to our family.

The 2014-2015 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 finalise the very comprehensive but hugely important 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.

As in the past 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 at regional, state and national level. Financial sustainability and evidence of the value of the organisation will be the key challenges going forward.

We have continued to build our strong relationship with our peak representative body the LGA (SA) and our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we confront the many impacting regional issues.

Thank you to outgoing President, Mayor Ann Ferguson who completed her term in February and also thank our Executive Officer, Graeme Martin for his continued support and commitment.

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

**Mayor Bill Spragg  
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:

28 August 2014	–	Victor Harbor
23 October 2014	-	Adelaide Hills
11 December 2014	-	Mt. Barker
20 February 2015	-	Kangaroo Island
17 April 2015	-	Barossa
21 June 2015	-	Alexandrina

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 China Engagement strategy, the regional Climate Change Adaptation project and a regional workplan in partnership with PIRSA.
- o Continued working with the LGA and the lobbying on the review of the Native Vegetation Council Significant Environmental Benefits (SEB) offset scheme as well as roadside vegetation management and SA Powernetworks tree clearance policy.
- o Developed and completed the final stage two of a regional SA Public Health Plan.
- o Input into the SA State Government Planning Reform project.
- o Completed the updating of the Roads Database component of the regional 2020 Transport Plan and continued the comprehensive review of the Regional Transport Plan.
- o Successfully implemented a new cloud based Xero accounting system.
- 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. 7 various speakers addressed meetings of the Board and 1 regional workshop was 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 2014-2015

At the conclusion of the period 2014-2015 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 March 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 2015 – 2016
  - Rapid Bay – District Council of Yankalilla, Requested Grant \$500,000
  - Ocean Road – City of Victor Harbor, Requested Grant \$979,000

## **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 the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.
- The opportunity for regional scale
- continued interest from the private sector.

This work will be a regional priority and 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 Senate Select Committee on Wind Turbines on behalf of the S&HLGA region.
- To the State Government SE Asia Engagement Strategy
- To LGA Research & Development Scheme for funding to research a peri-urban Greater Adelaide 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.
- RDA Climate Adaptation working 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:

- SA Powernetworks Vegetation Management
- Libraries of the Future
- SA State Government Community Cabinet
- LGA Public Health Conference
- Regional Organisations Charters & Levies review

## **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:

- Continuing lobbying and input into the ongoing review of the Native Vegetation Council SEB offsets methodology and calculation
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits
- Continuing the development of a balanced and consistent community access policy and position to Department of Education sport and recreational facilities.
- Further Input into the development of policy on the use of Council Resources and Council reactions in Emergency response operations post Samson Flat Disaster
- Development of a Mining Engagement Protocol
- Input into the proposed Emergency Service reform of the sector by the state government and the impact into proposed alterations to the Emergency Services levy
- Active lobbying with the State Government on proposed removal of Pensioner & Senior Concessions on rates
- Submission and input into the State Government Expert Panel on Planning Reform
- Input into the development of the LGA Regions Work Plan
- Development of Regional Council Tourism activities and expenditure survey
- Advocating and lobbying Federal Government in the reinstatement of the SA Supplementary Road Fund

### **LGA Board Committee**

S&HLGA President (July 2014 – February 2015), Mayor Ann Ferguson has represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegate, and former Kangaroo Island Mayor, Jane Bates has acted as proxy delegate until February 2015. Mayor Keith Parkes, Alexandrina has filled the proxy position since February 2015.

### **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 2014 - 2015.

## 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
PIRSA.....	Primary Industries & Regions SA
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 30<sup>th</sup> June 2015

	2015	2014
	\$	\$
<b>Income</b>		
Subscriptions	107,235	98,423
Operating Grants	88,395	37,225
Investment Income	1,829	1,988
Other	28,282	19,269
	225,650	156,905
<b>Expenditure</b>		
Contractual Services	164,320	128,575
Finance Charges	3,121	3,588
Other	14,135	15,790
	181,576	147,953
<b>Surplus (Deficit) from Operations</b>	<b>44,074</b>	<b>8,953</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Investments	107,772	59,548
Debtors	4,118	3,721
Total Current Assets	111,890	63,269
<b>Current Liabilities</b>		
Accounts Payable	22,945	18,398
Total Current Liabilities	22,945	18,398
<b>Net Current Assets</b>	88,945	44,871
<b>Net Assets</b>	<b>88,945</b>	<b>44,871</b>
<b>Equity</b>		
Accumulated Surplus	88,945	44,871
<b>Total Equity</b>	<b>88,945</b>	<b>44,871</b>



# **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**

### **2014 - 2015**

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

The Business Plan 2013 – 2017 has been 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 Budget of each of the Financial Years covered by the plan. These provide the resources for the Plan.

An Annual Key Action 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 Action 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).

<b>Business Plan</b>	<b>Action Plan 2014 - 2015</b>		<b>Success Indicators Action Plan 2014-2015</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i>	Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by: <ul style="list-style-type: none"> <li>○ Meetings to include presentations, workshops and forums on Key Issues</li> </ul> Respond as necessary to State and Federal Government Policies which impact on the region	<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. Windfarm submission to Senate Select committee 27/02/2105
2. <i>To promote &amp; market the Southern &amp; Hills Local Government Association</i>	Ensure the new website is current and marketed appropriately	<input checked="" type="checkbox"/> Update the website as required and review	Maintain an informative, current and appealing S&HLGA website		1. Website overhaul & maintenance 10/03/2015

Business Plan	Action Plan 2014 - 2015		Success Indicators Action Plan 2014-2015		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	To provide sound financial management and manage resources effectively	<input checked="" type="checkbox"/> To prepare annual Budget and review as required <input checked="" type="checkbox"/> Migrate the Financial Accounting to the cloud based Xero System	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.	1. Xero cloud based accounting commenced 01/7/2014. Carried forward data and budgets completed 2. Actual v Budget performance reviewed each Bi monthly S&HLGA Board meeting. 3. Annual External Audit commenced July 2014 3. Audit completed and Annual Report completed & distributed 10 Sept 2014
	<ul style="list-style-type: none"> <li>○ CEO's to inform EO of issues for each meeting</li> <li>○ Stakeholders to inform EO of issues for each meeting</li> <li>○ Strengthen interaction with State government and opposition MP's</li> </ul>	<input checked="" type="checkbox"/> Maintain the CEO's forum	Management of key stakeholder relationships with the S&HLGA Board	CEO meeting recommendations and feedback.  Key Stakeholder feedback and Board satisfaction	1. CEOs pre-board meetings readjusted & reactivated



<b>Business Plan</b>	<b>Action Plan 2014 - 2015</b>		<b>Success Indicators Action Plan 2014-2015</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
	<b>research</b> Explore (with the LGA) research and /or pilot programs for the Region.	<input checked="" type="checkbox"/> Successful Research applications or projects facilitated in the region			1. Peri- Urban R&D application lodged 24/7/14
	<b>Health</b> Complete stage 2 of the regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed Regional Health Plan			1. Stage 1 Background Report completed Dec 2014 2. Stage 2 Draft Directions Report out for consultation 10/03/2015
	<b>Regional Development</b> Support the RDA in all regional economic issues and projects	<input checked="" type="checkbox"/> Regular meetings with the RDA <input checked="" type="checkbox"/> RDA reports to the Board against the agreed KPIs		Key Stakeholder feedback and Council satisfaction	1. SAROC/LGA submissions to Commonwealth Govt on Funding and Board appointments. 2. Submission into State Govt SE Asia Engagement Strategy Sept 2014 3. Electric Vehicle network proposal presented 20/02/2015 4. China-Australia Workshop 18/03/2015

Business Plan	Action Plan 2014 - 2015		Success Indicators Action Plan 2014-2015		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>4. <i>To improve infrastructure to meet the community's needs.</i></p>	<p><b>Transport</b> Continue to manage the S&amp;HLGA Road Works committee and the 2020 Transport Plan.</p> <p><b>Waste/Water</b> Activate the CWMS user group</p> <p>Support the LGA review of waste levy management and projects and participate in discussions of the creation of a post zero waste entity</p> <p><b>Telecommunication</b> Lobby for equitable access for the region for digital technology including broadband upgrades and mobile coverage</p>	<p><input checked="" type="checkbox"/> 2015/2016 SLRP funding applications assessed and submitted</p> <p><input checked="" type="checkbox"/> Documented CWMS meetings and outcomes</p> <p><input checked="" type="checkbox"/> Waste management report presented to the Board</p>	<p>Roads Database Report is updated and meeting critical timelines. This provides a reference for the SLRP and other Road and infrastructure recommendations for funding</p> <p>The updated 2020 Transport Study provides the basis of a regional infrastructure plan.</p>	<p>Completed Blackspot submissions and NBN requests</p>	<p>1. RWP meeting to assess Regional priorities for 2015-16 SLRP funding 13/03/2015</p> <p>2. Regional SLRP applications lodged with the LGA 24/04/15</p> <p>1. Reviewed CWMS expenses and account balances 30/7/14</p>

Business Plan	Action Plan 2014 - 2015		Success Indicators Action Plan 2014-2015		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
5.	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	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for			<ul style="list-style-type: none"> <li>1. 2013-2014 LGA capacity Grant acquitted 14/8/14</li> <li>2. 2014-2015 LGA capacity Grant invoiced &amp; received 6/9/2014</li> </ul>
	Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members	<input checked="" type="checkbox"/> Joint S&HLGA and Central Region LGA Research & Development application on an organisational review and investigation of a peri-urban region		<p>LGA grant successful.</p> <p>Issues have been identified, investigations into a Peri Urban Region has been completed and reported back to the LGA, S&amp;HLGA &amp; Central Regions, including recommendations.</p>	<ul style="list-style-type: none"> <li>1. SAROC/LGA joint study proposed 24/9/14</li> <li>2. 2015-2016 LGA Outreach Services Funding application successful</li> </ul>
	Benchmark and review the Long term financial sustainability of Councils including future growth trends, alternative revenue options and optimal size and boundaries	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board		Key Stakeholder feedback and Council satisfaction	<ul style="list-style-type: none"> <li>1. SA Powernetworks workshop reviewing strategic vegetation management 3/9/2014</li> <li>2. Future of SA Libraries Visioning workshop 30/9/2014</li> </ul>

Business Plan	Action Plan 2014 - 2015		Success Indicators Action Plan 2014-2015		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	Manage S&HLGA Local Government compliance obligations in 2014-2015	<input checked="" type="checkbox"/> Successful election of Office Bearers according to its Charter following Local Council elections  <input checked="" type="checkbox"/> Review Charter			1. New S&HLGA President and Deputy elected 20/02/2015  1. Preliminary Charter review with EOs/SAROC 24/9/14 2. Input into LG Act amendments Bill on issues on Training and PD as well as Regional Organisational red tape reduction

27<sup>th</sup> August 2015

The Board  
Southern & Hills Local Government Association  
C/-Mr Graeme Martin  
13 Ringmer Dr.  
Burnside  
SA 5066

Dear Board Members

**STATEMENT OF AUDITORS INDEPENDENCE  
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2015**

In accordance with Regulation 22(5) Local Government (Financial Management) Regulations 2011 and the Local Government Act 1999, we confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2015, 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.



**HLB Mann Judd  
Chartered Accountants**



**Trevor Hirth  
Partner**

**Adelaide, South Australia  
27 August 2015**

# Southern & Hills Local Government Association

## Report to the Members of the Board and Audit Committee

Year ended 30 June 2015

■ Your Business | Our Specialty ■

**HLB** Mann Judd

Accountants | Business and Financial Advisers

## Contents

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Contents .....	2
1. Audit Overview.....	3
2. Significant Accounting and Auditing Issues.....	4
3. Specific matter to be reported to those charged with governance .....	4
4. Internal Control Findings .....	6

# 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 2015 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	Pending
Signed Financial Statements for the year ended 30 June 2015	Pending
Statement of Auditors Independence	Completed 27.08.2015
Independent Auditors Report	Pending

## 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. Please express our thanks to the Executive Officer Graeme Martin for his co-operation and assistance.

## 1.5 Audit opinion

Subject to receiving the signed management representation letter and financial statements, an unqualified audit report will be issued for the year ended 30 June 2015.

## 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

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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 Cashflow Statement, and assisted with some minor enhancements/corrections to the financial statements for the year ended 30<sup>th</sup> June 2015. We also acknowledge the improvement in reporting with upgrading to the Xero accounting system.

### 2.2 Audit Committee and Internal Control

We continue to note that the Minister confirmed by letter on the 27<sup>th</sup> 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 30<sup>th</sup> 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 2015.

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

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As in previous years, during the course of our audit for the year ended 30 June 2015, 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. We also noted the review of the policy document S&HLGA Operations Manual – Finance Policy in October 2014.

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.



**TREVOR HIRTH  
PARTNER**

*3 September 2015*

**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**  
**FINANCIAL STATEMENTS**

**Statement of Comprehensive Income for the Year Ending**  
**30<sup>th</sup> June 2015**

	Notes	2015 \$	2014 \$
<b>Income</b>			
Subscriptions	1.8	107,235	98,423
Operating Grants		88,395	37,225
Investment Income	1.7	1,829	1,988
Other		28,282	19,269
		225,650	156,905
<b>Total Income</b>			
<b>Expenditure</b>			
Contractual Services	3	164,320	128,575
Finance Charges		3,121	3,588
Other		14,135	15,790
		181,576	147,953
<b>Total Expenditure</b>			
<b>Surplus (Deficit) from Operations</b>		<b>44,074</b>	<b>8,953</b>

The above Income Statement should be read in conjunction with the accompanying notes

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### Balance Sheet as at 30<sup>th</sup> June 2015

		2015	2014
	Notes	\$	\$
<b>Current Assets</b>			
Investments		107,772	59,548
Debtors		4,118	3,721
Total Current Assets		111,890	63,269
<b>Current Liabilities</b>			
Accounts Payable		22,945	18,398
Total Current Liabilities		22,945	18,398
<b>Net Current Assets</b>		88,945	44,871
<b>Net Assets</b>	1.4	<b>88,945</b>	<b>44,871</b>
 <b>Equity</b>			
Accumulated Surplus		88,945	44,871
<b>Total Equity</b>		<b>88,945</b>	<b>44,871</b>

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 30<sup>th</sup> June 2015**

		2015	2014
	Notes	\$	\$
<b>Accumulated Surplus</b>			
Balance at beginning of period		44,871	35,918
Net Surplus / (Deficit)		44,074	8,953
Balance at end of period		88,945	44,871
<b>Total Equity</b>		<b>88,945</b>	<b>44,871</b>

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 30<sup>th</sup> June 2015

	Notes	2015	2014
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Receipts		223,425	176,348
Payments		(177,029)	(164,401)
Interest Receipts		1,829	1,988
		48,225	13,935
Net Cash Provided by (Used in) Operating Activities		48,225	13,935
<b>Net increase in Cash Held</b>		<b>48,225</b>	<b>13,935</b>
<b>Cash at the beginning of the reporting period</b>		<b>59,548</b>	<b>45,613</b>
<b>Cash at the end of the reporting period</b>		<b>107,773</b>	<b>59,548</b>

#### Reconciliation of Change in Net Assets to Cash from operating activities

	2015
	\$
Net Surplus	44,074
Less	
Net Increase in Debtors	(396)
Add	
Net Increase in Accounts Payable	4,547
	48,225
<b>Net Cash provided by Operating Activities</b>	<b>48,225</b>

The above Statement of cash Flows should be read in conjunction with the accompanying notes

# SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

### 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 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 2015	\$10,250
Constituent Council Subscription 2014	\$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	%	
2015	88,305	109,341	197,650	87.6%	151,385	83.4%	46,265
2014	37,225	84,180	121,405	77.4%	117,777	79.6%	3,628

#### Projects

2015	0	28,000	28,000	12.4%	28,871	15.9%	(871)
2014	0	18,000	18,000	11.5%	22,000	14.9%	(4,000)

#### Transport and Communication

2015	0	0	0	0%	1,320	0.7%	(1,320)
2014	0	17,500	17,500	11.1%	8,175	5.5%	9,325

## 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	%	
<b>Total</b>							
2015	88,305	137,346	225,650	100.0%	181,576	100.0%	44,074
2014	37,225	119,680	156,905	100.0%	147,953	100.0%	8,953

### 3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2015	2014
Consultants:	Suter Planners	\$28,000	\$22,000
	Grange Advisors Pty Ltd	\$135,000	\$98,400
	HDS Australia Pty Ltd	<u>\$1,320</u>	<u>\$8,175</u>
	Totals	\$164,320	\$128,575

### 4. Comparison of Budget and Actual Results

	2015		2014	
	Budget \$	Actual \$	Budget \$	Actual \$
<b>Revenue</b>				
Administration	121,827	147,650	119,257	121,405
Projects	53,000	78,000	20,500	18,000
Transport and Communication	0	0	17,500	17,500
<b>Total Revenue</b>	<b>174,827</b>	<b>225,650</b>	<b>157,257</b>	<b>156,905</b>
<b>Expenditure</b>				
Administration	159,150	151,385	116,933	117,777
Projects	28,000	28,871	30,000	22,000
Transport and Communication	1,200	1,320	17,500	8,175
<b>Total Expenditure</b>	<b>188,350</b>	<b>181,576</b>	<b>164,433</b>	<b>147,952</b>
<b>Surplus (Deficit)</b>	<b>(13,523)</b>	<b>44,074</b>	<b>(7,176)</b>	<b>8,953</b>

## 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 2015 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 30<sup>th</sup> August 2015



**Graeme Martin**  
**EXECUTIVE OFFICER**



**Mayor Bill Spragg**  
**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 2015, 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 30<sup>th</sup> August 2015



**Graeme Martin**  
**EXECUTIVE OFFICER**



**Mayor Bill Spragg**  
**PRESIDENT**

**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 2015, 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.

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

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**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 2015 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*  
Trevor Hirth  
Partner

Adelaide, South Australia

3 September 2015

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

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